The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street N.W.
Washington, D.C. 20433
U.S.A.

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Cable Address: INTBAFRAD
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August 1, 2012

H.E. Nguyễn Văn Bình
Governor
State Bank of Vietnam
49 Ly Thai To,
Hanoi, Vietnam

Dear Governor Nguyễn Văn Bình:

Subject: Vietnam: Tax Administration Modernization Project
Amendments to Financing Agreement (Credit Number 4361-VN)

I would like to refer to the Financing Agreement dated March 28, 2008 between Socialist Republic of Vietnam ("Recipient") and International Development Association ("Association") for the above-referenced Project ("Financing Agreement"). I further refer to the letter of March 28, 2012, from Mr. Lê Minh Hưng, Deputy Governor of State Bank of Vietnam, on behalf of the Recipient, requesting the amendments to the Financing Agreement to enable completion of the Project's activities.

I am pleased to inform you that, after due consideration, the Association concurs with the request and to give effect to such request agrees to amend the Financing Agreement as follows.

1. Schedule 1 to the Financing Agreement is amended to read as shown in Annex 1 to this letter.

2. The table in paragraph 2 of Section IV.A of Schedule 2 to the Financing Agreement is amended to read as shown in Annex 2 to this letter.

3. Paragraph 2 of Section IV.B of Schedule 2 to the Financing Agreement is amended to read as follows:

"2. The Closing Date is May 30, 2015".

Except as specifically amended herein, all other provisions of the Financing Agreement shall remain in full force and effect.

Please confirm your agreement with this amendment by countersigning, dating and returning to us the enclosed copy of this letter. Upon receipt by the Association of the countersigned copy of this letter, this amendment shall become effective as of the date of the countersignature.

Sincerely,

Victoria Kwakwa
Country Director for Vietnam
East Asia and Pacific Region

CONFIRMED:
SOCIALIST REPUBLIC OF VIETNAM

Nguyễn Văn Bình
Governor
State Bank of Vietnam

Date: September 19, 2012

Annex 1

SCHEDULE 1

Project Description

The objective of the Project is to strengthen governance in tax administration in Vietnam, and to increase the level of voluntary compliance with the tax system through improvements in the effectiveness, efficiency, transparency and accountability of the tax administration.

The Project consists of the following parts:

Part I: Institutional Development

Carry out a program to strengthen governance in tax administration in Vietnam, consisting of:

A. Building the capacity of tax compliance risk management and analysis.

B. Undertaking periodic surveys on the Project performance feedback from the taxpayers and tax officers.

C. Strengthening of the anti-corruption activities of the General Department of Taxation.

Part II: Business Process Re-engineering and Development of Integrated Tax Administration Information System (ITAIS)

Carry out a programe to increase the compliance and strengthen the efficiency in information technology-based system in tax administration, consisting of:

A. Design, procurement and installation of the ITAIS based on re-engineered tax administration processes and procedures, including: (i) Tax administration business process re-engineering; (ii) Design, procurement and deployment of the ITAIS; and (iii) Hardware system maintenance.

B. Procurement and deployment of hardware for e-tax applications.

C. ITAIS's contract management and quality assurance, and Project change management.

Part III: Project Management

Carry out a program to support improvement of Project management by:

A. Strengthening the Project management capacity.

B. Procuring equipment and facilities to support the Project management.

Annex 2

Withdrawal of the Proceeds of the Financing

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods under Parts II, III of the Project	44,500,000	100%
(2) Consultants' services under Parts I, II of the Project	4,600,000	100%
(3) Training and workshops under the Project	3,200,000	100%
TOTAL AMOUNT	**52,300,000**	

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August 1, 2012

H.E. Nguyễn Văn Bình
Governor
State Bank of Vietnam
49 Ly Thai To,
Hanoi, Vietnam

Dear Governor Nguyễn Văn Bình:

Subject: Vietnam: Tax Administration Modernization Project
Amendments to Grant Agreement (PHRD Grant No. TF057847-VN)

I would like to refer to the Grant Agreement ("Grant Agreement") dated March 28, 2008, between Socialist Republic of Vietnam ("Recipient") and International Development Association ("World Bank"), acting as administrator of grant funds provided by Japan under the Policy and Human Resources Development Fund, for the above-referenced Project. I further refer to the letter of March 28, 2012, from Mr. Lê Minh Hưng, Deputy Governor of State Bank of Vietnam, on behalf of the Recipient, requesting the amendments to the Grant Agreement to enable completion of the Project's activities.

I am pleased to inform you that, after due consideration, the World Bank concurs with the request and to give effect to such request agrees to amend the Grant Agreement as follows.

1. The table in Section 3.01 of the Annex to the Grant Agreement is amended to read as shown in Annex 1 to this letter.

2. Section 3.03 of the Annex to the Grant Agreement is amended to read as follows:

"3.03. ***Withdrawal Period.*** The Closing Date referred to in Section 3.06(c) of the Standard Conditions is May 30, 2015".

3. Attachment 1 to the Grant Agreement is amended to read as shown in Annex 2 to this letter.

Except as specifically amended herein, all other provisions of the Grant Agreement shall remain in full force and effect.

Please confirm your agreement with this amendment by countersigning, dating and returning to us the enclosed copy of this letter. Upon receipt by the World Bank of the countersigned copy of this letter, this amendment shall become effective as of the date of the countersignature.

Sincerely,

Victoria Kwakwa
Country Director for Vietnam
East Asia and Pacific Region

CONFIRMED:
SOCIALIST REPUBLIC OF VIETNAM

Nguyễn Văn Bình
Governor
State Bank of Vietnam

Date: September 19, 2012

Annex 1

Withdrawal of Grant Proceeds

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
Consultants' services; In-country training	**5,000,000**	**100%**
Total Amount	**5,000,000**	

Annex 2

Project Description

The objective of the Project is to strengthen governance in tax administration in Vietnam, and to increase the level of voluntary compliance with the tax system through improvements in the effectiveness, efficiency, transparency and accountability of the tax administration.

The Project consists of the following parts:

Part I: Institutional Development

Carry out a program to strengthen governance in tax administration in Vietnam, consisting of:

A. Building the capacity of tax compliance risk management and analysis.

B. Undertaking periodic surveys on the Project performance feedback from the taxpayers and tax officers.

C. Strengthening of the anti-corruption activities of the General Department of Taxation.

Part II: Business Process Re-engineering and Development of Integrated Tax Administration Information System (ITAIS)

Carry out a programe to increase the compliance and strengthen the efficiency in information technology-based system in tax administration, consisting of:

A. Design, procurement and installation of the ITAIS based on re-engineered tax administration processes and procedures, including: (i) Tax administration business process re-engineering; (ii) Design, procurement and deployment of the ITAIS; and (iii) Hardware system maintenance.

B. Procurement and deployment of hardware for e-tax applications.

C. ITAIS's contract management and quality assurance, and Project change management.

Part III: Project Management

Carry out a program to support improvement of Project management by:

A. Strengthening the Project management capacity.

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