Hiroshima, May 21, 2023

Excellency,

I have the honour to confirm the following understanding recently reached between the representatives of the Government of Japan and of the Government of the Socialist Republic of Viet Nam concerning a Japanese loan to be extended with a view to promoting the economic stabilization and development efforts of the Socialist Republic of Viet Nam:

1. A loan in Japanese yen up to the amount of fifty billion yen (¥50,000,000,000) (hereinafter referred to as "the Loan") will be extended, as the COVID-19 Response Support Loan, in accordance with the relevant laws and regulations of Japan, to the Government of the Socialist Republic of Viet Nam represented by the Ministry of Finance of the Socialist Republic of Viet Nam by the Japan International Cooperation Agency (hereinafter referred to as "JICA") for the purpose of supporting the Government of the Socialist Republic of Viet Nam in its General Budget Support Program for Socio-economic Recovery and Development of Viet Nam Post-Covid 19 Pandemic (hereinafter referred to as "the Program").

2. (1) The Loan will be made available by a loan agreement to be concluded between the Government of the Socialist Republic of Viet Nam represented by the Ministry of Finance of the Socialist Republic of Viet Nam and JICA. The terms and conditions of the Loan as well as the procedures for its utilization will be governed by the said loan agreement, within the scope of the present understanding, which will contain, inter alia, the following principles:

(a) The repayment period will be eleven (11) years after the grace period of four (4) years;

(b) The rate of interest will be nought point nought one per cent (0.01%) per annum; and

His Excellency
Dr. Ho Duc Phoc
Minister of Finance
of the Socialist Republic of Viet Nam

(c) The disbursement period will be one (1) year after the date of coming into force of the said loan agreement.

(2) The disbursement period mentioned in sub-paragraph (1)(c) above may be extended with the consent of the authorities concerned of the two Governments.

3. (1) The Loan will be made available to cover budget expenditures to be made by the competent authorities of the Government of the Socialist Republic of Viet Nam, except those for such products as will be enumerated in a list to be mutually agreed upon between the authorities concerned of the two Governments.

(2) The list mentioned in sub-paragraph (1) above may be modified by agreement between the authorities concerned of the two Governments.

4. The Government of the Socialist Republic of Viet Nam shall take measures to have the equivalent amount of yen disbursements of the Loan transferred to the state budget account opened in the name of the Government of the Socialist Republic of Viet Nam. The amount thus transferred shall be included in the state budget of the Government of the Socialist Republic of Viet Nam, and shall be used to promote the economic stabilization and development efforts of the Socialist Republic of Viet Nam.

5. The Government of the Socialist Republic of Viet Nam shall exempt JICA from all fiscal levies and taxes imposed in the Socialist Republic of Viet Nam on and/or in connection with the Loan as well as interest accruing therefrom.

6. The Government of the Socialist Republic of Viet Nam shall take necessary measures to ensure that the Loan is used properly and exclusively for the budget expenditures mentioned in sub-paragraph (1) of paragraph 3, and is not utilized for military purposes.

7. While ensuring fair treatment of sources of information and data, the Government of the Socialist Republic of Viet Nam shall, upon request, furnish the Government of Japan and JICA with:

(a) information and data concerning the use of the Loan and the progress of the implementation of the Program; and

(b) any other information, including information on corrupt practice, related to the Loan and the Program.

8. The two Governments shall consult with each other with respect to any matter that may arise from or in connection with the present understanding.

I have further the honour to propose that this Note and Your Excellency's Note in reply confirming on behalf of the Government of the Socialist Republic of Viet Nam the foregoing understanding shall constitute an agreement between the two Governments, which shall enter into force on the date of Your Excellency's Note in reply.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

Y. Hayashi

HAYASHI Yoshimasa
Minister for Foreign Affairs
of Japan

MINISTRY OF FINANCE
THE SOCIALIST REPUBLIC OF VIETNAM

Hiroshima, May 21, 2023

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date, which reads as follows:

"I have the honour to confirm the following understanding recently reached between the representatives of the Government of Japan and of the Government of the Socialist Republic of Viet Nam concerning a Japanese loan to be extended with a view to promoting the economic stabilization and development efforts of the Socialist Republic of Viet Nam:

1. A loan in Japanese yen up to the amount of fifty billion yen (¥50,000,000,000) (hereinafter referred to as "the Loan") will be extended, as the COVID-19 Response Support Loan, in accordance with the relevant laws and regulations of Japan, to the Government of the Socialist Republic of Viet Nam represented by the Ministry of Finance of the Socialist Republic of Viet Nam by the Japan International Cooperation Agency (hereinafter referred to as "JICA") for the purpose of supporting the Government of the Socialist Republic of Viet Nam in its General Budget Support Program for Socio-economic Recovery and Development of Viet Nam Post-Covid 19 Pandemic (hereinafter referred to as "the Program").

2. (1) The Loan will be made available by a loan agreement to be concluded between the Government of the Socialist Republic of Viet Nam represented by the Ministry of Finance of the Socialist Republic of Viet Nam and JICA. The terms and conditions of the Loan as well as the procedures for its utilization will be governed by the said loan agreement, within the scope of the present understanding, which will contain, inter alia, the following principles:

(a) The repayment period will be eleven (11) years after the grace period of four (4) years;

(b) The rate of interest will be nought point nought one per cent (0.01%) per annum; and

His Excellency
Mr. HAYASHI Yoshimasa
Minister for Foreign Affairs
of Japan

(c) The disbursement period will be one (1) year after the date of coming into force of the said loan agreement.

(2) The disbursement period mentioned in sub-paragraph (1)(c) above may be extended with the consent of the authorities concerned of the two Governments.

3. (1) The Loan will be made available to cover budget expenditures to be made by the competent authorities of the Government of the Socialist Republic of Viet Nam, except those for such products as will be enumerated in a list to be mutually agreed upon between the authorities concerned of the two Governments.

(2) The list mentioned in sub-paragraph (1) above may be modified by agreement between the authorities concerned of the two Governments.

4. The Government of the Socialist Republic of Viet Nam shall take measures to have the equivalent amount of yen disbursements of the Loan transferred to the state budget account opened in the name of the Government of the Socialist Republic of Viet Nam. The amount thus transferred shall be included in the state budget of the Government of the Socialist Republic of Viet Nam, and shall be used to promote the economic stabilization and development efforts of the Socialist Republic of Viet Nam.

5. The Government of the Socialist Republic of Viet Nam shall exempt JICA from all fiscal levies and taxes imposed in the Socialist Republic of Viet Nam on and/or in connection with the Loan as well as interest accruing therefrom.

6. The Government of the Socialist Republic of Viet Nam shall take necessary measures to ensure that the Loan is used properly and exclusively for the budget expenditures mentioned in sub-paragraph (1) of paragraph 3, and is not utilized for military purposes.

7. While ensuring fair treatment of sources of information and data, the Government of the Socialist Republic of Viet Nam shall, upon request, furnish the Government of Japan and JICA with:

(a) information and data concerning the use of the Loan and the progress of the implementation of the Program; and

(b) any other information, including information on corrupt practice, related to the Loan and the Program.

8. The two Governments shall consult with each other with respect to any matter that may arise from or in connection with the present understanding.

I have further the honour to propose that this Note and Your Excellency's Note in reply confirming on behalf of the Government of the Socialist Republic of Viet Nam the foregoing understanding shall constitute an agreement between the two Governments, which shall enter into force on the date of Your Excellency's Note in reply."

I have further the honour to confirm on behalf of the Government of the Socialist Republic of Viet Nam the foregoing understanding and to agree that Your Excellency's Note and this Note in reply shall constitute an agreement between the two Governments, which shall enter into force on the date of this Note in reply.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

Ho Duc Phoc
Minister of Finance
of the Socialist Republic
of Viet Nam