

AGREEMENT

BETWEEN

**THE GOVERNMENT OF THE REPUBLIC OF AUSTRIA
REPRESENTED BY THE FEDERAL MINISTER OF FINANCE**

AND

**THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM
REPRESENTED BY THE MINISTRY OF PLANNING AND
INVESTMENT**

ON

FINANCIAL CO-OPERATION

The Government of the Republic of Austria represented by the Federal Minister of Finance and the Government of the Socialist Republic of Vietnam represented by the Ministry of Planning and Investment hereunder called the "Contracting Parties",

- desiring to promote further the close and friendly relations existing between their two countries,

- desiring to develop, extend and deepen the successful co-operation in the financial field,

have agreed as follows:

Article 1

The Contracting Parties will endeavour, within the framework of their respective existing laws, regulations and policies as well as their international obligations to promote and expand financial co-operation.

Article 2

For the purpose of promoting and expanding financial co-operation, the Austrian Federal Minister of Finance is prepared to support the provision of tied aid credits on concessional terms, refinanced by Oesterreichische Kontrollbank Aktiengesellschaft (OeKB), Vienna, under its export financing scheme.

An indicative financial framework of up to EUR 150 mln. (Euro one hundred fifty million) is envisaged for projects jointly promoted by the Contracting Parties for a period of two years from the date of entry into force of this Agreement.

Article 3

The terms and conditions of the loans will be set in conformity with international obligations resulting from the "Arrangement on Officially Supported Export Credits" under the auspices of the OECD. Accordingly, the concessionality level will be at least 35 %.

The eligibility of projects to be financed will be appraised taking into consideration the ex-ante guidance gained under the "Helsinki" tied aid disciplines, as well as applicable national allocation criteria.

Article 4

Loan agreements refinanced by OeKB are negotiated directly between commercial banks acceptable within the Austrian export financing system as lenders and the Ministry of Finance of the Socialist Republic of Vietnam or financial institutions authorised by the Vietnamese government acting on behalf of the Socialist Republic of Vietnam as borrowers. In case the Ministry of Finance of the Socialist Republic of Vietnam is not the borrower it shall issue project-specific guarantees complying with the qualifications set out in Article 7 of this Agreement.

Article 5

The formal inclusion of projects into this Agreement shall be agreed upon through exchange of letters between the Ministry of Planning and Investment of the Socialist Republic of Vietnam and the Federal Ministry of Finance of the Republic of Austria when the supply and financial contracts have been signed. It shall be effected in a consecutive manner during a period of 24 months starting from the date of the entry into force of the present Agreement. Projects under negotiation before the entry into force of the present Agreement shall be included in the same manner as projects initiated after its entry into force.

Article 6

The loans provided are to be utilized for the purchase of Austrian goods and services, which may include up to 50 % goods and services originating outside Austria.

Article 7

The Ministry of Finance on behalf of the Government of the Socialist Republic of Vietnam hereby irrevocably and unconditionally guarantees the fulfilment of all payments resulting from Austrian concessional loans granted under this Agreement. The Ministry of Finance of the Socialist Republic of Vietnam hereby irrevocably waives any claim to immunity from suit or execution it might be entitled to in respect of payments guaranteed under this Agreement.

Article 8

Taxes levied on income and capital shall be in conformity with the Agreement between the Government of the Socialist Republic of Vietnam and the Government of the Republic of Austria for the avoidance of double taxation and the prevention of physical evasion with respect to taxes on income and on capital concluded on 2nd June 2008.

Article 9

The Contracting Parties will on an annual basis or whenever deemed necessary by the Contracting Parties review progress made in implementing this Agreement.

Article 10

In order to evaluate the use of the concessional loans provided under this Agreement and the sustainability of the corresponding projects, the Contracting Parties shall facilitate the provision of all necessary documentation for evaluation, auditing and monitoring of the projects.

Article 11

Any disputes between the Contracting Parties concerning the interpretation and/or implementation of this Agreement shall be settled amicably through diplomatic channels.

Article 12

The provisions of the present Agreement shall enter into force on the first day of the month following the month in which the Agreement was signed by both Contracting Parties. The present Agreement shall be valid for a period of two years. If deemed necessary and with mutual consent, the validity of the present Agreement could be extended by exchange of notes between the Contracting Parties.

Done in two originals, both in English language.

For the Government of the
Republic of Austria
represented by the
Federal Minister of Finance

Georg Heindl m.p.
(Extraordinary and
plenipotentiary Ambassador
of the Republic of Austria
in the Socialist Republic of Vietnam)

Venue/Date

Hanoi, 14 December 2010

For the Government of the
Socialist Republic of Vietnam
represented by the
Ministry of Planning and Investment

Cao Viet Sinh m.p.
(Deputy Minister)

Venue/Date

Hanoi, 15 December 2010

