

THE GOVERNMENT

No: 174/1999/ND-CP

SOCIALIST REPUBLIC OF VIET  
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Independence - Freedom -  
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*Ha Noi , Day 09 month 12 year  
1999*

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**DECREE No. 174/1999/ND-CP OF DECEMBER 9, 1999 ON THE  
MANAGEMENT OF GOLD BUSINESS ACTIVITIES  
THE GOVERNMENT**

*Pursuant to the Law on Organization of the Government of September 30,  
1992;*

*Pursuant to the Vietnam State Bank Law No. 01/1997/QH10 of December  
12, 1997;*

*At the proposal of the Governor of the Vietnam State Bank,*

**DECREES:**

**Chapter I**

**GENERAL PROVISIONS**

***Article 1.-*** Subjects and scope of regulation

1. Subjects to be governed by this Decree shall include organizations and individuals conducting gold business activities, excluding gold mining and refining activities of gold mining enterprises.

2. This Decree's scope of regulation covers activities of dealing in gold other than gold of international standard, including: gold jewelry, gold fine art items, ingot gold and raw material gold.

3. Dealing in gold of international standard shall comply with the Government's Decree No. 63/1998/ND-CP of August 17, 1998 on the management of foreign exchange.

***Article 2.-*** Interpretation of terms

In this Decree the following phrases shall be construed as follows:

1. "Gold business activities" mean activities of producing, processing gold products; gold purchase and sale, export and import in accordance with the provisions of law.

2. "Gold jewelry" means gold products whether or not set with gemstone, precious metals or other materials to meet people's adornment needs, such as rings, necklaces, bracelets, earrings, pins, statues and other kinds.

3. "Gold fine art items" mean gold products whether or not set with gemstone, precious metals, or other materials to meet the artistic decoration needs, such as picture frames, statues, and other kinds.

4. "Ingot gold" mean gold beaten in ingots with various forms, stamped

with figures indicating weight, quality and the manufacturer's symbol and sign.

5. "Raw material gold" means gold in the forms of: pieces, bars, leaves, granules, wires, solution, powder, ornamental semi-finished products and other kinds, which are not gold of international standard.

**Article 3.-** Management of gold business activities

1. The Vietnam State Bank (hereinafter referred to as the State Bank) is the agency exercising the State management over gold business activities according to the provisions in this Decree.

2. The ministries, ministerial-level agencies, agencies attached to the Government and the People's Committees of the provinces and centrally-run cities shall have the responsibility to exercise State management over gold business activities within the ambit of their respective functions, tasks and powers.

**Article 4.-** Tasks and powers of the State Bank

1. To elaborate legal documents on gold business activities and submit them to the competent authorities for promulgation or promulgate them according to its competence;

2. To grant and withdraw licenses for:

a/ Production of ingot gold;

b/ Gold export and import as prescribed in this Decree;

c/ Individuals to carry extra-quota gold upon entry or exit.

3. To supervise, inspect or coordinate with the functional agencies in supervising and inspecting the observance of law provisions on the management of gold business activities within the ambit of its functions and powers.

4. To discharge other tasks and powers related to gold business activities under the Prime Minister's decisions.

**Article 5.-** The gold business association

Gold business organizations and individuals may establish a gold business association for coordinating and raising the quality of gold production and business activities, ensuring its members' legitimate rights and interests as well as the national interests.

The establishment of the gold business association and its charter must be approved by the State Bank before submission to the competent authorities for decision.

**Article 6.-** Activities of foreign-invested enterprises

Foreign-invested enterprises licensed by the competent State agencies to operate in the field of production and processing of gold jewelry and fine art items shall, in the process of operation, have to strictly observe the provisions of the Law on Foreign Investment in Vietnam, the provisions of their investment licenses and the provisions of this Decree.

**Article 7.-** Competence to adjust the level of legal capital

The adjustment of the level of legal capital prescribed in Articles 8, 9 and 12 of this Decree shall be decided by the Prime Minister.

## Chapter II

### GOLD BUSINESS ACTIVITIES

#### **Article 8.-** Conditions for and scope of gold business activities

1. If organizations and individuals wish to carry out activities of gold purchase and sale and/or processing of gold jewelry and fine art items, they must fully meet the following conditions:

- a/ Making business registration as prescribed by law;
- b/ Having the technical and material base as well as equipment, which satisfy the requirements of gold purchase and sale and processing activities;
- c/ Employing skilled workers who satisfy the requirements of gold business activities.

For individuals who are goldsmiths of professional grade 5 (five) or higher and have registered for processing gold jewelry and fine art items and/or producing single jewelry and fine art items, the regulations of the State Bank shall apply.

2. If organizations or individuals wish to carry out the production of gold jewelry and fine art objects, they must fully meet the following conditions:

- a/ They must be enterprises established and making business registration under the provisions of law;
- b/ Having the technical and material base as well as equipment, which satisfy the requirements of gold jewelry and fine art items production activities;
- c/ Employing qualified managerial personnel and skilled workers, who meet the requirements of gold jewelry and fine art items production activities;
- d/ For enterprises operating in Hanoi and Ho Chi Minh city, they must have a minimum legal capital of 5 (five) billion Vietnam dong; for enterprises operating in other provinces and cities, they must have a minimum legal capital of 1 (one) billion Vietnam dong.

3. For the following activities, the State Bank's permission is required:

- a/ Producing ingot gold as prescribed in Article 9 of this Decree;
- b/ Exporting and importing gold fine art items of three or more kilograms in weight as prescribed in Clause 3, Article 11 of this Decree;
- c/ Exporting and importing raw material gold and ingot gold as prescribed in Article 12 of this Decree.

#### **Article 9.-** Ingot gold production

Basing itself on the monetary policy objectives in each period of time, the State Bank shall consider and grant ingot gold production licenses to a number of gold business enterprises which meet the following conditions:

- 1. Having made business registration for gold jewelry and fine art items production and having a legal capital of 50 (fifty) billion Vietnam dong or

more;

2. Having the technical and material base as well as equipment, which meet the requirements of ingot gold production;
3. Employing managerial personnel, technicians and skilled workers fully qualified for ingot gold production activities.

**Article 10.-** Responsibilities of gold business organizations and individuals

1. To strictly observe the provisions of this Decree and other relevant law provisions;
2. To publicly put up at the transaction place the quality, buying and selling prices of various kinds of gold products and take responsibility before law for their sold products;
3. Having a plan to ensure security in their business activities, to protect the environment and prevent and fight fires and explosions;
4. All enterprises that produce gold jewelry, gold fine art items and ingot gold shall have to register their signs and symbols with the State Bank and stamp their signs and symbols and the quality on their products. Particularly for the production of ingot gold, enterprises shall have to register their product quality with the State Bank.

### Chapter III

### GOLD IMPORT AND EXPORT

**Article 11.-** Import and export of gold jewelry and fine art items

1. The import and export of gold jewelry shall comply with the enterprises' business registration certificates and the Prime Minister's regulations on the import and export management;
2. The import and export of gold fine art items of less than three kilograms in weight shall comply with the enterprises' business registration certificates and the Prime Minister's regulations on the import and export management;
3. The import and export of gold fine art items of three kilograms or more in weight must be permitted by the State Bank;
4. The import and export of gold jewelry and fine art items for exhibitions and fairs shall comply with the Government's regulations on trade exhibitions and fairs.

**Article 12.-** Import and export of raw material gold and ingot gold

1. Basing itself on the demands for raw materials for the production of gold jewelry and fine art items and ingot gold as well as the monetary policy objectives in each period of time, the State Bank shall consider and permit enterprises which have made gold business registration to import and export ingot gold and raw material gold in the forms of pieces, bars, leaves, granules, wires and powder if they fully meet the following conditions:

a/ Having a minimum legal capital of 5 (five) billion Vietnam dong;

b/ Conducting business with profit in the latest year.

2. Enterprises that have made gold business registration may import and

export various kinds of gold jewelry in the form of semi-finished products, solution, soldering flakes and gold salt without having to apply for the State Bank's permit.

3. Gold business organizations and individuals which have gold-processing contracts with a foreign country(ies) shall be permitted by the State Bank to import raw material gold on condition that their products must be re-exported.

4. Enterprises with gold mining licenses shall be considered and permitted by the State Bank to export raw material gold.

**Article 13.-** Gold import and export by foreign-invested enterprises

Annually, the State Bank shall base itself on the concerned foreign-invested enterprises' production capacity and demands to import raw material gold and export gold jewelry and fine art items to consider and grant gold import and export quotas to these enterprises. Foreign-invested enterprises shall not have to apply for permits for import or export of gold in separate shipments.

**Article 14.-** Individuals carrying gold upon entry and exit

Upon entry and exit, Vietnamese individuals and foreigners shall be allowed to carry gold according to the State Bank's regulations.

#### Chapter IV

#### HANDLING OF VIOLATIONS

**Article 15.-** Handling of violations of gold business organizations and individuals

Organizations and individuals that violate the provisions of this Decree shall, depending on the nature and seriousness of the violations, be administratively sanctioned or examined for penal liability as prescribed by law.

**Article 16.-** Handling of violations committed by State officials and employees

State officials and employees who abuse their positions, powers or fail to comply with the provisions of this Decree shall, depending on the nature and seriousness of the violations, be disciplined, administratively sanctioned or examined for penal liability as prescribed by law.

#### Chapter V

#### IMPLEMENTATION PROVISIONS

**Article 17.-** Reporting regime

Quarterly, annually or when necessary, gold business organizations and individuals shall have to report the situation of their gold business activities and the situation of gold import and export according to the regulations of the State Bank and the competent State agencies.

**Article 18.-** Effect

1. This Decree takes effect 15 days after its signing and replaces the Government's Decree No. 63/CP of September 24, 1993 on the State

management over gold business activities

2. Within 90 days after the effective date of this Decree, organizations and individuals that are carrying gold business activities must adjust their gold business activities in accordance with the provisions of this Decree.

**Article 19.-** Implementation of the Decree

1. The State Bank Governor shall have to guide the implementation of this Decree.

2. The Ministry of Science, Technology and Environment shall coordinate with the State Bank in defining the Vietnam's gold standard and testing methods.

3. The ministers, the heads of ministerial-level agencies, the heads of agencies attached to the Government and the presidents of the People's Committees of the provinces and centrally-run cities shall have to implement this Decree.

On behalf of the Government  
Prime Minister

*PHAN VAN KHAI*