

**MEMORANDUM OF UNDERSTANDING REGARDING THE AGREEMENT
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND
THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIET NAM TO
IMPROVE INTERNATIONAL TAX COMPLIANCE AND TO IMPLEMENT FATCA**

At the signing today of the Agreement Between the Government of the United States of America and the Government of the Socialist Republic of Viet Nam to Improve International Tax Compliance and to Implement FATCA (hereinafter the “Agreement”), the representatives of the United States of America and the Socialist Republic of Viet Nam wish to confirm their understanding of the following:

1. In reference to subparagraph 1(r) of Article 1 (Definitions) of the Agreement, it is understood that an “investment certificate” generally means an investment product, similar to a certificate of deposit, that offers a fixed or guaranteed rate of return on the amount that is deposited.
2. It is understood that a “trust” means, in general, an arrangement created either by a will or by an inter vivos declaration whereby trustees take title to property for the purpose of protecting or conserving it for the beneficiaries under the ordinary rules applied in chancery or probate courts.
3. In reference to paragraph 2 of Article 1 (Definitions) of the Agreement, it is understood that the paragraph is intended to provide a rule of interpretation with respect to terms that are otherwise not defined in the Agreement.
4. In reference to paragraph 5 of Article 3 (Time and Manner of Exchange of Information) of the Agreement, it is understood that the first exchange of information described in Article 2 of the Agreement is the first September 30 that occurs after the Agreement enters into force.
5. In reference to paragraph 2 and subparagraph 3(a) of Article 5 (Collaboration on Compliance and Enforcement) of the Agreement, it is understood that “applicable penalties” would be applied by Viet Nam’s Competent Authority only to the extent that such penalties exist under Vietnamese domestic law.
6. In reference to Annex I, it is understood that “standing instructions” means current instructions provided by the account holder, or an agent of the account holder, that will repeat without further instructions being provided by the account holder.
7. In reference to paragraph II.F of Annex I, it is understood that “qualified intermediary” has the meaning set forth in U.S. Treasury regulation section 1.1441-1T(e)(5)(ii) (or any successor regulation). In general, under these regulations a qualified intermediary is an intermediary that is a party to a

qualified intermediary withholding agreement with the Internal Revenue Service, and that meets other conditions for qualified intermediary status described in U.S. Treasury regulations and administrative guidance.

8. It is understood that: (i) Policy Banks, including Social Policy Bank and Vietnam Development Bank, are established and operated under Vietnamese Law on credit institutions to conduct an operation for non-profit making purposes, aimed at implementing the socio-economic policies of the State; (ii) People's Credit Funds, including the Co-operative Bank of Vietnam, are established and operated under Vietnamese Law on credit institutions in the form of co-operatives by legal entities, individuals and households with the main purposes of mutually assisting each other in developing production, doing business and improving living standards; and (iii) Microfinance institutions are established and operated under Vietnamese Law on credit institutions to mainly conduct a number of banking activities aimed at serving low-income individuals, households and microenterprises. The entities described in this paragraph should be treated as deemed-compliant FFIs or exempt beneficial owners, as the case may be, to the extent that they satisfy the relevant conditions described in Annex II of the Agreement.

9. It is understood that, in the case of securities registered in the Vietnam Securities Depository (VSD) as defined in Chapter 5 of the Securities Law that are held by or through one or more other Reporting Vietnamese Financial Institutions, the relevant Financial Accounts are to be treated as held by such other Reporting Vietnamese Financial Institutions, and such other Reporting Vietnamese Financial Institutions are to be responsible for any reporting required with respect to such Financial Accounts. It is also understood that in accordance with paragraph 4 of Article 5 of the Agreement, such entity acting as a Vietnam Securities Depository may report on behalf of such other Financial Institutions.

For the Government of the United States
of America:



For the Government of the Socialist
Republic of Viet Nam:



Hanoi, April 1, 2016

[City], [date (month, day, year format)].