

*Disclaimer: The English version of this guideline and related appendices and forms, which is a translation of the original in Vietnamese, is for reference purpose only. VSD is not responsible for the accuracy and completeness of the English translation or any arising issues coming from the use of the English version. In case of any divergence in the meaning, the Vietnamese original will prevail and the reader is advised to refer to the most up-to-date in Vietnamese.*

**VIETNAM SECURITIES DEPOSITORY**

---

**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence-Freedom-Happiness**

---

**GUIDELINE ON CREATION/REDEMPTION TRANSACTION,  
REGISTRATION, DEPOSITORY, CLEARING, SETTLEMENT AND  
CORPORATE ACTIONS PROCESSING FOR EXCHANGE-TRADED FUNDS**  
*(Issued with Decision No. 212/QĐ-VSD dated 18th December 2015 by Chief  
Executive Officer of Vietnam Securities Depository)*

---

**CHAPTER I**  
**GENERAL PROVISIONS**

**Article 1. General Provisions**

This Guideline guides the method, process, procedure for activities of freezing composition securities for establishment of exchange-traded funds (hereafter called ETFs), registration, depository, clearing, settlement, corporate actions processing and creation/redemption transactions of ETFs by relevant parties at Vietnam Securities Depository (VSD).

**Article 2. Interpretation of Terms**

1. *Fund Management Companies (FMCs)* are incorporated companies which manage ETFs registered with VSD.

2. *Authorized participants (APs)* are securities companies operating brokerage and proprietary trading business or custodian banks assigned by FMCs on a contractual basis as the APs for ETFs established by FMCs.

3. *Supervisory Banks* are custodian banks assigned by FMCs on a contractual basis as the supervisory banks for ETFs established by FMCs.

4. *Distributors* are securities companies operating brokerage business assigned by FMCs on a contractual basis as the distributors for ETFs established by FMCs.

5. *Members* are depository members and direct account holders at VSD.

6. *Composition securities* are the securities constituting the portfolio composition file of benchmark index.

7. *Portfolio composition file (PCF)* is the basket comprises composition securities which are designed to replicate the fluctuations benchmark index which has been approved by FMCs in creation/redemption transaction of creation units.

8. *Creation/Redemption Transactions* are ETF buying or selling orders of APs, investors, in which:

a. *Buying order of ETFs (creation)* is the order for conversion of composition securities to ETF fund certificates, in which APs and investors request the Fund to receive the PCFs and issue creation units.

b. *Selling order of ETF (redemption)* is the order for conversion of ETF fund certificates to composition securities, in which the APs and investors request the Fund to receive creation units and return the PCFs.

9. *Period of registration for contribution* is a period of time prescribed by FMCs' announcement for APs and investors to submit contribution request to FMCs which clearly states the number of subscribed creation unit(s) of ETFs in IPO.

10. *Contribution period* is a period of time prescribed by FMCs' announcement for APs and investors to send requesting dossiers to VSD for blocking PCFs for fund establishment and to make payment (in case of cash contribution) to blocking account of ETFs opened at supervisory banks.

11. *Creation/Redemption day (T day)* is the valuation day on which ETF, via FMCs, creates and redeems creation units from APs and investors in accordance with the creation/redemption procedures.

12. *Settlement day* is the day on which buying members or selling members receive securities or cash in accordance with the clearing and settlement procedure applicable to securities listed/registered for trading on stock exchanges.

13. *Valid copies* are copies notarized and certified by Vietnam competent authority.

14. *Digital signature*: is a type of electronic signature designed in accordance with the stipulations in Decree no. 26/2007/ND-CP dated 15 December 2007 of the Government providing detailed provisions for implementation of Law on electronic trading regarding digital signature and certified authorization service used by authorized people of VSD and Member to certify information and data sent.

15. *Electronic documents* refer to information on operational activities at VSD which is created, sent, received and stored by electronic means and authenticated by digital signatures of authorized persons of VSD, Members or FMCs.

### **Article 3. Scope of VSD services**

1. Blocking PCFs for contribution for fund establishment of APs and investors.
2. Performing the registration, depository, clearing, settlement and corporate actions processing for ETF certificates listed on stock exchanges.
3. Performing creation/redemption activities of PCFs to creation units of ETF and vice versa pursuant to contractual agreement between VSD and FMCs in accordance with current regulatory stipulations.
4. Providing securities lending/borrowing service of composition securities, and ETF certificates in creation/redemption activities.
5. Providing transfer agent service, fund management service, customer relationship service pursuant to contractual agreement between VSD and FMCs.

#### **Article 4. Relationship with FMCs**

1. VSD provides services to a FMC pursuant to the contracts signed between two parties including principle contract and formal service provision contract:

a. Principle contract (Form 01/ETF) regulates the contents relating to blocking composition securities of APs and investors which have been deposited at VSD for the purpose of IPO of ETF certificates by the FMC. Contract signing is executed when VSD receives a written request from the FMC (Form 02/ETF)

b. Formal service provision contract (Form 03/ETF) regarding registration, corporate actions processing, creation/redemption and transfer agent activities (if any) for ETF certificates is signed by VSD and the FMC after the FMC has completed offering of fund certificates. This contract is sent to SSC by the FMC together with the Request for Fund Establishment dossier and shall be basis for the registration, corporate actions processing, creation/ redemption and transfer agent activities (if any) for ETF certificates after SSC granted the Certificate of ETF Establishment.

2. The service provision contract signed between VSD and the FMC shall be terminated in case VSD cancels ETF certificates registration in accordance with stipulation in Article 10 of this Guideline, or establishment and operation license of the FMC is revoked.

3. Announcement on IPO and creation/redemption transactions

a. Within 5 working days before IPO date, FMC sends a written notification to VSD regarding offering of ETF certificates, blocking composition securities (Form 04A/ETF) together with a valid copy of Certificate of public offering of ETF certificates granted by SSC, prospectus and fund charter which have been approved by SSC.

b. Within 5 working days before the first day for creation/redemption transactions of ETF, FMC must send a written notice to VSD on creation/redemption transaction frequency and detailed transaction date (Form 04B/ETF). FMC is responsible for

informing VSD of any changes (if any) in frequency or detailed transaction date changes within 5 working days before the changes take effect (Form 04C/ETF).

## **CHAPTER II**

### **BLOCKING COMPOSITION SECURITIES CONTRIBUTED FOR FUND ESTABLISHMENT**

#### **Article 5. Principle on blocking composition securities**

1. VSD only blocks composition securities contributed for ETF establishment in accordance with the securities portfolio, ratio and the number of each securities informed by FMC and be corresponding to the valid number of creation units registered for contribution and within the blocking duration mentioned in the prospectus, which have been approved by SSC in ETF certificates offering dossier.

2. Investors, APs must submit the requesting dossier of blocking composition securities to contribute for ETF establishment to VSD within the contribution period informed by FMC. Investors submit Request of securities blocking for contribution to VSD via APs, distributors where Investors register to contribute. In case investors use their composition securities in the trading accounts opened with different members to contribute, in the Request of securities blocking for contribution sent to APs, distributors must have the documents from those members confirming that investors have sufficient balance of securities intended to contribute in their accounts and committing to block the securities during the contribution period.

3. APs and distributors are responsible to check requesting dossier of blocking composition securities to contribute for ETF establishment of investors to ensure there are sufficient documents stipulated by VSD and investor information on the documents are consistent.

4. Composition securities contributed will be blocked and recorded in the on-hold account of relevant depository members at VSD and correspondingly recorded at APs and members where investors open their securities trading account for blocking composition securities.

5. When blocking composition securities contributed for fund establishment, APs must use the entire amount of composition securities on their trading accounts to cover the contribution quantity. In case of securities shortage, securities previously borrowed from SBL system of VSD available on the on-hold account will be used.

#### **Article 6. Procedures, execution order for blocking composition securities**

1. Within 3 working days after the conclusion of contribution registration period, FMC shall generate and submit to VSD:

a. List of APs and investors registering to contribute for ETF establishment (Form 05/ETF) in form of electronic documents (in case FMCs have connection with VSD) or in the form of written documents with the data file formatted as per VSD's stipulation (in case FMCs do not have connection with VSD).

b. Notice about the portfolio composition file, ratio, the number of composition securities which are determined based on the benchmark index on the last trading day of the offering (Form 06/ETF).

2. During the contribution period as announced by the FMC, investors submit to APs, distributors the following documents:

a. Request of blocking and transferring ownership title of composition securities (Form 07A/ETF) with the list of composition securities for contribution (Form 07B/ETF).

b. Document confirming the securities balance by members where investors open accounts from which securities are used for contribution (Form 07C/ETF).

3. Within 1 (one) working day immediately after the ending date of contribution period, APs and distributors shall prepare and submit the dossier requesting blocking of composition securities contributed for ETF establishment, including the following documents:

a. Request of blocking and transferring the ownership title of composition securities (Form 07A/ETF) with the list of composition securities for contribution (Form 07B/ETF) made by investors.

b. Document confirming the securities balance by members where investors open accounts from which securities are used for contribution (Form 07C/ETF).

c. Request of blocking and transferring the ownership title of composition securities (Form 07D/ETF) made by APs.

d. Schedule of composition securities requested for blocking of investors registering contribution through APs and distributors (Form 08/ETF) in form of electronic documents via VSD's terminal based gateway, generated by APs and distributors.

4. Within 2 (two) working days from the end of contribution period. VSD checks and blocks contributed composition securities in the accounts of APs, investor and sends blocking confirmation and effective date (Form 09/ETF) to APs and members where composition securities of investors are custodized.

5. Within 3 (three) working days from the end of contribution period, VSD sends the following documents to FMC in the form of electronic documents (in case FMCs have connection with VSD) or in form of written documents (in case FMCs do not have connection with VSD):

a. Schedule of portfolio composition file of each AP, investors which are blocked to contribute for ETF establishment. (Form 10A/ETF).

b. Confirmation of portfolio composition file of APs, investors (Form 10B/ETF)

c. List of investors, APs who have sufficient composition securities and shall receive ETF certificates at allocation (Form 11/ETF).

d. List of investors, APs who transfer the ownership of composition securities which are blocked to contribute for fund establishment (Form 12/ETF).

e. List of investors who do not have sufficient composition securities to contribute (Form 13/ETF).

6. Within 1 (one) working day upon receipt the documents as stipulated in Clause 4 of this Article, FMC sends to VSD written confirmation of the blocking of composition securities corresponding with the registering number of ETF certificates for contribution in accordance with the List of APs, investors registering to contribute for establishment of ETF generated and sent to VSD by FMC pursuant to Clause 1 of this Article and handling method for cases of insufficient composition securities (if any) (Form 14A/ETF).

7. In case of extension of fund certificate allocation period which has been approved by SSC, FMC must send VSD written notice of the extended period of contribution (Form 14B/ETF) with the valid copy of approving document of SSC within 3 (three) working days from the date of approval from SSC.

8. In case VSD provides transfer agent service to FMC, the process as stipulated in Clause 1 and Clause 5 of this Article are performed in accordance with the agreement in the contract signed between FMC and VSD.

#### **Article 7. Release of Composition Securities**

1. VSD releases Composition Securities in case the issue is not successful and in other circumstances as notified by written documents sent by FMC to VSD and APs, distributors (Form 15A/ETF) in accordance with the Prospectus and the Fund Charter.

2. In case the issue is not successful, VSD releases securities of investors based on the written notice of the result of the issue sent by FMC. In other cases, VSD releases securities of investors based on Request of releasing composition securities (Form 15B/ETF) submitted by APs.

3. Within 1 (one) working day from the date of receiving document from FMC (in case the issue is not successful) or document from APs (in other circumstances informed by FMC), VSD releases composition securities and sends the securities release confirmation (Form 16/ETF) to the relevant FMC, APs and distributors.

### **CHAPTER III REGISTRATION OF ETF CERTIFICATES**

#### **Article 8. Initial registration of ETF certificates, Transfer of ownership title of composition securities for capital contribution**

1. Within 10 (ten) working days from the effective date of the License of Fund Establishment granted by the SSC, FMC shall perform initial registration ETF certificate at VSD. The registration dossiers shall include the following documents:

- a. Request for registration of ETF certificate by FMC (Form 17/ETF)
- b. Register of ETF certificates holders with the data file formatted as per VSD's stipulation (Form 18/ETF).
- c. The valid copy of the License of Fund Establishment granted by the SSC.
- d. List of investors and APs transferring composition securities to ETF (Form 19/ETF) in form of electronic documents (in case FMCs have connection with VSD) or in the form of written documents with the data file formatted as per VSD's stipulation (in case FMCs do not have connection with VSD).
- e. Other documents as requested by VSD in case clarification of information in the registration dossier is needed.

2. Within 3 working days from the date of receiving the complete and valid dossier as stated in its document receipt book (where such application file is directly delivered to VSD) or on the incoming document track stamp (where such application file is sent by mail), VSD shall issue the Certificate of registration of ETF certificate to FMC (Form 20/ETF) and notifies relevant Stock Exchange and depository members (DMs) of ETF certificate registration (Form 21/ETF). Where such dossier is incomplete and/or invalid, VSD shall send a written notice to the FMC requesting any further supplements or explanations.

3.ETF certificates Code is allocated simultaneously with the Certificate of registration of ETF certificate by VSD as stipulated in the Guidelines on Allocation of Local Securities Codes and International Securities Identification Numbers issued by the Chief Executive Officer of VSD.

4. After VSD issued the registration certificate, the deposit of ETF certificates shall comply with the stipulation in Article 16 of this Guideline.

5. On the date of issuing the registration Certificate of ETF, VSD shall transfer the ownership title of the blocked composition securities from depository account of APs, investors to depository account of ETF at Supervisory Bank where FMC opens account, and sends confirmation of transferring the ownership of composition securities (Form 22/ETF) to the relevant FMC and DMs.

6. The effective date of ETF certificate registration is also the effective date of the transfer of ownership title of composition securities from APs, investors to ETF.

### **Article 9. Adjustment of registration Certificate of ETF certificates**

1. Registration certificate of ETF certificate shall be adjusted in the following circumstances:

a. ETF changes its name.

b. There are changes (increase / decrease) in the number of outstanding ETF certificates as the results of creation/redemption transactions as stipulated in Chapter IV of this Guideline.

c. FMC pays dividend by fund certificates.

2. Procedures for adjustment of registration certificate of ETF certificate in case there are changes (increase/decrease) in the number of outstanding ETF certificates as the results of creation/redemption transactions is stipulated in Article 13 of this Guideline.

3. Procedures for adjustment of registration certificate of ETF certificate in case of name change:

a. FMC submits the dossier for adjustment of registration certificate of ETF certificate to VSD, including:

-Request for adjustment of registration certificate of ETF certificate (Form 23A/ETF)

-The valid copy or copy stamped by FMC of the Resolution of General Meeting of investors on changing ETF name.

- The valid copy of Decision on adjustment of License of Fund Establishment by SSC.

-Other relevant documents (if any).

b. Within 02 (two) working days from the date of receiving the complete and valid dossier as stated in its document receipt book (where such application file is directly delivered to VSD) or on the incoming document track stamp (where such application file is sent by mail), VSD shall adjust the registration certificate of ETF certificate



(Form 24A/ETF) and notify relevant Stock Exchange and DMs of adjustment of registration certificate of ETF certificate (Form 25A/ETF). Where such dossier is incomplete and/or invalid, VSD shall send a written notice to the FMC requesting any further supplements or explanations.

4. Procedures for adjustment of registration certificate of ETF certificate in case of dividend payment of fund certificates:

a. FMC submits the dossier for adjustment of Certificate of registration of ETF certificate to VSD, which include:

- Request for adjustment of registration certificate of ETF certificate (Form 23B/ETF);

- Resolution by the General Meeting of Investors approving dividend payment of t investors by fund certificates (copy stamped by FMC);

- Documents proving that SSC has received the dossier for additional registration of ETF certificates for dividend payment to investors;

- Documents reporting the issue result to SSC;

- Documents by SSC announcing the issue result.

- List of holders of non-deposited certificates (the original and data file) (Form 18/ETF) (If any).

- Sample of passbook/certificate of ownership for ETF Certificate stamped “Sample” and Signature of Authorized Signatory of FMC (03 copies) (in case there are investors who hold non-deposited certificates).

b. Within 05 working days from the date of receiving the complete and valid dossier as stated in its document receipt book (where such application file is directly delivered to VSD) or on the incoming document track stamp (where such application file is sent by mail), VSD shall adjust the registration certificate of ETF certificate (Form 24B) and inform about the adjustment of Certificate of registration of ETF certificate to relevant FMC, Stock Exchange and DMs (Form 25B/ETF). Where such dossier is incomplete and/or invalid, VSD shall send a written notice to the FMC requesting any further supplements or explanations or stating reason for its disapproval.

#### **Article 10. Cancellation of registration of ETF certificates**

1. Registration of fund certificates will be cancelled at VSD when the fund is resolved as provided in Article 20 of Circular 229/2012/TT-BTC dated 27th December 2012 of Ministry of Finance guiding the establishment and management of ETFs.

2. Checklist of dossier for cancellation of registration of ETF certificates

a. In case of cancellation of registration of ETF certificates, FMC sends dossier to VSD, including the following documents:

- Request for cancellation of registration of ETF certificate which clearly states the date for fixing the list of certificate holders for allocation of asset at fund resolution (Form 26/ETF);

-Written document by SSC approving fund resolution (if any);

-Decision and notification on delisting of ETF certificates on the Stock Exchange;

- Resolution of the general meeting of investors approving fund resolution plan, which clearly states the method for return assets to investors by composition securities/cash;

-Written document from supervisory bank confirming the balance of securities owned by ETF at the time FMC request cancellation of registration;

-Other relevant documents (if any).

b. Registration cancellation dossier must be sent to VSD at least 10 working days before the date for fixing the list of certificate holders for allocation of asset at fund resolution.

3. Within 1 working day from the date of receiving the complete and valid dossier as stated in its document receipt book (where such application file is directly delivered to VSD) or on the incoming document track stamp (where such application file is sent by mail), VSD will announce the record date and generate the list of certificate holders for allocation of asset at fund resolution. The procedure for announcement and generation of the list of securities holders shall follow the current stipulation in the Guideline on Corporate Actions for Securities Holders issued by the Chief Executive Officer of VSD. Where such dossier is incomplete and/or invalid, VSD shall send a written notice to the FMC requesting any further supplements or explanation

4. Within 3 working days from the date for fixing the list of certificate holders for allocation of asset at fund resolution, VSD will send the written approval in principle for the cancellation of registration of fund certificates (Form 27/ETF) together with the list of certificate holders for allocation of asset at fund resolution (Form 28/ETF) in form of electronic documents (in case FMCs have connection to VSD) or in the form of written documents (in case FMCs do not have connection to VSD).

5. Within 3 working days from the date of receiving documents sent by VSD as defined in Clause 3 of this Article, FMC sends written confirmation stating its approval or disapproval of the list of certificate holders for allocation of asset at fund resolution (Form 29/ETF) in form of electronic documents (in case FMCs have connection with VSD) or in the form of written documents (in case FMCs do not have connection with VSD). In case of disapproval, FMC sends written document to VSD reporting the reason and performs reconciliation with VSD regarding asset allocation to investors.

6. Within 2 working days from the date of receiving written approval by FMC on the plan for allocation of fund assets and other documents as specified in Clause 1 Article 11 of this Guideline, VSD shall issue the Notice on deregistration of ETF certificate (Form 30/ETF), at the same time, transfer back composition securities to holders of fund certificates (in case of allocation of fund assets by composition securities).

**Article 11. Transferring composition securities back to holders of fund certificates in case of deregistration**

1.VSD shall transfer composition securities and related arising rights from depository account of ETF to account of APs and investors based on the plan for return of securities assets to investors as approved by the general meeting of investors, written confirmation by custodian banks of securities balance held by ETF at the time of request for fund certificate deregistration by FMC and written approval by FMC of the plan for allocation of fund assets back to investors.

2.After the transfer is executed, VSD shall send Confirmation of securities transfer to relevant members (Form 31/ETF)

3.The effective date of transfer of composition securities from ETF to APs, investors is also the effective date of deregistration of ETF certificate at VSD.

**CHAPTER IV**

**CREATION/REDEMPTION TRANSACTION OF ETF CERTIFICATES**

**Article 12. Principles for executing creation/redemption transaction of ETF certificates.**

1.VSD provides services supporting the execution of creation/redemption transactions (primary creation/redemption) as stipulated in Article 12 Circular no. 229/2012/TT-BTC dated 27 December 2012 by the Ministry of Finance guiding the establishment and management of exchange-traded funds.

2. APs are responsible for notifying VSD of composition securities/ETF certificates held on depository account of APs, investors which are used for execution of creation/redemption transactions so that VSD can check the portfolio composition file or the number of ETF creation units to ensure the execution of creation/redemption transactions. In case investors use composition securities/ETF certificates held on their accounts opened at different members for execution of creation/redemption transactions, in the creation/redemption order sent to APs, confirmation of balance (Form 07E/ETF) by members where investors open accounts verifying that there is sufficient balance of

composition securities/ETF certificates which are blocked during the time of execution of creation/redemption transactions has to be attached. APs submit the creation/redemption orders to FMCs at their instructions.

3. Trading error correction shall be carried out by VSD in the circumstances of mistakes/errors by APs in process of making orders, generating information, receiving, transferring and inputting orders of investors or APs themselves into the system in the following cases: wrong account number, excess of orders, mistaking selling order for buying order and vice versa, wrong quantity of fund certificates. APs shall submit request for trading error correction to FMCs at their instructions. FMCs shall send the same request to VSD as prescribed at Article 13 of this Guideline.

4. When settling creation/redemption transactions, APs shall use the necessary number of composition securities/ETF certificates currently held on their trading accounts. If it is not sufficient, composition securities/ETF certificates borrowed on the SBL system of VSD held on their on-hold account.

5.If VSD provides transfer agent services to FMCs, FMCs' tasks as prescribed in Clause 2 and Clause 3 of this Article shall be carried out in accordance with agreements in the contract between VSD and FMCs.

### **Article 13. Procedure for execution of creation/redemption transaction**

1. On the date of creation/redemption transaction (T)

a. Notice on portfolio composition file for creation/redemption of ETF and the difference between the portfolio composition file value and the net asset value of one ETFcreation unit.

-At least 30 minutes prior to the start of the trading session, FMCs shall send VSD the notice on portfolio composition file for creation/redemption of one ETF creation unit and the difference between the portfolio composition file value and the net asset value of one ETF creation unit and solutions for handling(Form 32/ETF)

-The portfolio composition file is determined based on closing price of the trading day immediately prior to the date of creation/redemption and shall contain information on composition securities codes, proportion and number of each composition securities codes in the portfolio.

b. Notice on the list of investors placing orders for creation/redemption

FMCs shall send the List of investors placing orders for creation/redemption (Form 33/ETF) in form of electronic documents (in case FMCs have connection to VSD) or in the form of written documents with the data file formatted as per VSD's stipulation (in case FMCs do not have connection to VSD) to VSD prior to the close of the market on stock exchanges where these ETFs are listed.

c. Handling of difference

-If the difference between the portfolio composition file value and the net asset value of one ETF creation unit is paid out by fund certificates, FMCs shall send VSD the List of investors placing selling orders of EFT certificates who are entitled to receive the difference by fund certificates (Form34/ETF) together with the aforementioned List of investors placing orders for creation/redemption (Form 33/ETF).

-If the difference between the portfolio composition file value and the net asset value of one ETF creation unit is paid out in cash, the collection of money from investors placing buying orders of ETF certificates and the return of money to investors placing selling orders of ETF certificates shall be carried out in accordance with the provisions in the prospectus, fund charter and guidelines by FMCs

d. 5:00 pm at the latest, FMCs shall:

- Complete the comparison and confirmation of creation/redemption orders with APs. Orders of investors placed through distributors shall be confirmed with FMCs through relevant APs.

- Send VSD written confirmation of orders to be executed and orders to be corrected in the List sent to VSD as prescribed at Point b Clause 1 of this Article (Form 35A/ETF). In case of error correction, FMC shall later send the error correction dossier to VSD within the timeframe prescribed in Point c Clause 2 of this Article.

2. On the day immediately after the date of creation/redemption transaction (T+1)

a. 10:00 am at the latest, APs shall send VSD Information on composition securities/ETF certificates used for creation/redemption transactions (Form 35B/ETF) in the form of electronic documents through the terminal-based gateway.

b. Checking securities for creation/redemption transactions

4:00 pm at the latest, based on the List of investors placing orders and written confirmation provided by FMCs and Information on composition securities/ETF certificates used for creation/redemption transactions provided by APs, VSD shall check the composition securities/ETF certificate used for creation/redemption transactions of investors placing orders for creation/redemption and inform FMCs in form of electronic documents (in case FMCs have connection with VSD) or in the form of written documents (in case FMCs do not have connection with VSD) of the followings:

-List of investors placing orders for creation/redemption transactions having sufficient composition securities/ETF certificates and having insufficient composition securities/ETF certificates for creation/redemption (Form 36/ETF).

-Notice on the number of additionally-created ETF certificates (including those additionally-created to settle the difference between the value of portfolio composition

file and the value of net assets of ETF creation unit in case investors place selling orders of ETF certificates) and the number of ETF certificates redeemed detailed by investors (Form 37/ETF);

-Notice on the number of composition securities subject to transfer of ownership title from ETF to investors and vice versa (Form 38/ETF).

-Notice on the List of investors executing creation/redemption transactions entitled to receive returned composition securities with the excess withheld (Form 39/ETF) (if any)

c. Confirmation of ETF certificates additionally-created/redeemed

04:05 pm at the latest, FMCs shall send VSD the followings:

-Written confirmation of the number of ETF certificates created and redeemed (Form 40/ETF) in form of electronic documents (in case FMCs have connection with VSD) or in the form of written documents (in case FMCs do not have connection with VSD);

-Written confirmation of number of composition securities subject to transfer of ownership title from ETF to investors and vice versa (Form 41/ETF) in form of electronic documents (in case FMCs have connection with VSD) or in the form of written documents (in case FMCs do not have connection with VSD).

-Dossier for error correction due to mistakes, errors occurring in the process of placing orders by APs and Distributors (if there is notice on error correction as mentioned in Point d, Clause 1 of this Article. The dossier shall contain the followings:

+Request for error correction of AP/Distributor with approval by FMC (Form 42/ETF)

+Copy of order slips of investors stamped by AP/Distributor

+Other documents (if any)

d. Registration and deposit of additionally-created ETF certificates, deregistration of redeemed ETF certificates and transfer of ownership title for composition securities

04:10 pm at the latest, VSD shall:

-Send written notice on revision of securities registration certificate of ETF certificate due to execution of creation/redemption transactions to FMCs, stock exchanges and members (Form 43/ETF) which specifies the number of ETF certificates additionally-created/redeemed. Written notice by VSD is considered to be the revised Securities Registration Certificate in case of changes (increase/decrease) in the number of circulated ETF certificates in accordance with results of creation/redemption transactions.

-Credit or debit ETF certificates additionally-created/redeemed and send accounting confirmation (Form44/ETF) to relevant members.

-Transfer of ownership title of composition securities from depository account of ETF to accounts of investors and vice versa as confirmed by FMCs and send confirmation on transfer of ownership title of composition securities to relevant members (Form45/ETF)

d. The effective date for additional registration of additionally-created ETF certificates/deregistration of redeemed ETF certificates at VSD is also the effective date for transfer of ownership title of composition securities from ETF to investors and vice versa.

e. Deposit of additionally-registered ETF certificates shall be executed as prescribed in Article 16 of this Guideline.

**Article 14. Cases of holding composition securities exceeding the prescribed rate**

1. VSD shall send FMCs Notice on the List of investors executing creation/redemption transactions entitled to receive returned composition securities with the excess withheld (Form39/ETF) if the ETF receives ETF creation units from investors and returns portfolio composition files to investors leading to the following circumstances:

a. The ownership rate of composition securities of APs/investors exceeds the foreign ownership limit;

b. The ownership rate of composition securities of APs/investors exceeds 25% of the total number of circulated shares of an issuer including the number of shares previously available on depository account of APs/investors but APs/investors have not carried out the procedure for tender offer as stipulated by relevant laws;

c. APs, investors holding shares issued by themselves (treasury stock) but APs, investors have not carried out the procedure for treasury stock transactions as stipulated by relevant laws.

2. VSD shall check the number of composition securities to be returned investors to calculate the number of exceeding securities held/shares issued by APs, investors themselves at 4:00 pm on the first working day from the date of creation/redemption transactions.

3. FMCs shall handle withheld composition securities in accordance with provision at Clause 5 Article 12 Circular no. 229/2012/TT-BTC dated 27 December 2012 by the Ministry of Finance providing guidance for establishment and management of exchange-traded funds and provisions in the Prospectus and Fund charter.

**Article 15. Creation/redemption transactions in case VSD provides transfer agent service to FMCs**

If VSD provides transfer agent service to FMCs as stipulated at Point b Clause 19 Article 2 of Circular no. 229/2012/TT-BTC, the procedure for execution of creation/redemption transactions prescribed in Article 13 of this Guideline is carried out in accordance with the Contract signed between VSD and FMCs.

**CHAPTER V**

**DEPOSIT, CLEARING AND SETTLEMENT AND PROCESSING OF CORPORATE ENTITLEMENTS FOR ETF CERTIFICATES**

**Article 16. Deposit of ETF certificates**

1. When executing contribution for fund establishment or periodical creation/redemption, investors/APs have to open one (01) depository account to receive allocated ETF certificates or returned portfolio composition files. If investors have various accounts, when executing creation/redemption transactions, investors may change the account number used for receiving fund certificates or composition securities, however, on each day of executing creation/redemption transactions, investors shall consistently use one (01) account.

2. ETF certificates issued in accordance with the result of initial contribution for ETF establishment and creation/redemption transactions will be automatically accounted by VSD to the depository account of APs/investors right after issuing or revising Registration Certificate.

3. After depositing issued ETF certificates, VSD send Confirmation on accounting of deposited securities to APs, depository members where investors open accounts.

4. The effective date for deposit of initially-registered or additionally-registered ETF certificates at VSD is also the effective date of initial/additional registration of ETF certificates.

**Article 17. Procedures for operations related to deposited ETF certificates at VSD**

1. Procedures for modification of information of investors having deposited fund certificates, pledge, pledge release, blocking, withdrawal of ETF certificates, etc. shall follow the current provisions applied to deposited securities of the Guideline on Securities Depository issued by the Chief Executive Officer of VSD.

2. Procedures for transfer of ETF certificates shall follow the current provisions applied to deposited securities of the Guideline on Securities Depository issued by the



Chief Executive Officer of VSD, except for cases of securities transfer between depository accounts of the same investor opened at different depository members to execute creation/redemption transactions, for which the applicable procedures will be as follows:

a. Transferor member submits VSD the securities transfer dossier including:

- Request for securities transfer (03 copies) (Form 47A);
- Request for securities transfer by investor (01 copy) (Form 47B);
- Copy of Notice on the latest portfolio composition file of the FMC (01 copy)

b. VSD shall handle the securities transfer dossier prescribed at Point a Clause 2 of this Article within 01 working day from the date of receiving valid and complete dossier from Members.

**Article 18. Ensuring sufficient ETF certificates/composition securities when executing selling transactions on stock exchanges (secondary market)**

1. AP is considered to have sufficient ETF certificates or composition securities to sell on settlement day in the following circumstances:

a. AP has sufficient ETF certificates/composition securities on trading account on the day of executing selling transactions of ETF certificates/composition securities on stock exchanges' system;

b. AP has insufficient ETF certificates/composition securities on the day of executing selling transactions on stock exchanges' system but meets the following two requirements:

-Having confirmed with VSD that it has executed creation/redemption transactions to use the receivable ETF certificates/composition securities to make up the shortage of ETF certificates/composition securities; and

-ETF certificates/composition securities receivable by AP for executing creation/redemption transactions to make up the shortage of ETF certificates/composition securities have to be accounted to AP's account at least 01 working day prior to the settlement day of aforementioned selling transactions of ETF certificates/composition securities on stock exchanges.

2. Confirmation by AP as prescribed at Point a Sub-clause 1.2, Clause 1 of this Article shall be made in writing or in form of electronic documents (Form 46/ETF) and be sent to VSD 3:00 pm at the latest on the working day immediate after the day of execution of selling transactions of ETF certificates/composition securities on stock exchanges' system but having insufficient ETF certificates/composition securities.

3. If VSD does not receive confirmation by AP as prescribed at Clause 2 of this Article or the ETF certificates/composition securities receivable by AP for executing

creation/redemption transactions will not be accounted at the specified time mentioned at Point b Sub-clause 1.2, Clause 1 of this Article, VSD shall handle these selling transactions on stock exchanges' system having insufficient ETF certificates/composition securities to sell as the case of shortage of securities for selling prescribed in Guideline on clearing and settlement of securities transactions issued by the Chief Executive Officer of VSD.

**Article 19. Clearing and settlement of transactions of ETF certificates listed on stock exchanges**

1. Clearing and settlement of transactions of ETF certificates listed on stock exchanges shall be carried out according to multilateral netting results and the settlement date is the second working day from the trading day (T+2). DVP principle is applied.

2. Procedures for comparison, confirmation of trading results, error correction, settlement cancellation, settlement supporting mechanism, settlement process for transactions of ETF certificates shall follow the procedures applied to listed fund certificates prescribed in the current provisions in the Guideline on clearing and settlement of securities transactions issued by the Chief Executive Officer of VSD.

**Article 20. Corporate entitlements processing, transfer of ownership title, modification of information of holders of ETF certificates**

Procedures for corporate entitlements processing for holders of ETF certificates shall follow the procedures applied to registered securities prescribed in the current provisions in the Guideline on Corporate Actions Processing for Securities Holders issued by VSD.

**CHAPTER VI  
ORGANIZATION OF IMPLEMENTATION**

**Article 21. Organization of implementation**

1. If there are any difficulties during the implementation of this Guideline, all relevant parties shall contact VSD for guidelines and solutions.

2. Any amendments of and supplements to this Guideline shall be determined by the Chief Executive Officer of VSD after seeking the approval of the SSC.

**CHIEF EXECUTIVE OFFICER**

**(signed)**

**Duong Van Thanh**