

CSDs: VSD (Vietnam)

Date: 07 Sep 2009

SMI Markets: Vietnam

CMIRR Markets: Vietnam

SSC Issues Guidance on Supervision Over Securities Trading

Following the issuance of Decision No. 127/2008/QD-BTC by the Ministry of Finance on 31 December 2008, the State Securities Commission (SSC) issued Decision No. 531/QD-UBCK on 21 August 2009, providing further guidance on the supervision over securities trading.

The salient points of the Decision are summarised as follows:

1. Supervision activities of the SSC over securities trading include:

- Monitoring of the implementation of supervisory activities by the stock exchanges
- Monitoring of the issuance and implementation of regulations and the process of placing and transmitting securities firms' clients' orders; and the implementation of securities firms' internal control methods and codes of conduct relating to securities trading activities
- Supervising the disclosure of trading-related information of listed organisations, institutions registering for trading, public companies, securities companies and investors under legal provisions
- Supervising trading-related services provided by the stock exchanges, Vietnam Securities Depository (VSD), depository members, fund management companies, supervisory banks, and commercial banks who provide cash account services for securities investment

2. Coordination between the SSC, stock exchanges and VSD:

- The stock exchanges shall be responsible for directly supervising the trading activities conducted on the respective exchanges.
- The VSD shall provide information on depository members, and individuals and organisations that register, deposit securities, and settle via VSD or use other services of VSD.
- The SSC shall be responsible for investigating suspected violations on trading regulations based on reports from the stock exchanges and the VSD, and handle such violations in coordination with the stock exchanges and the VSD.

CSD Risk Impact

VSD (Vietnam)

CSD Rating: BBB

CSD Flash Impact: Positive

Impacted Risk Type: Counterparty Risk

Current Rating = A-

Flash Impact = Positive

The new 'Decision' provides further guidance on the supervision of the market. This is expected to improve participant surveillance and the overall risk management procedures. Accordingly, the impact on counterparty risk is set to 'Positive'.

Market Information Impact

Vietnam

This information affects the data contained in the Stock Market sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Vietnam

Market Rating: BBB

Market Flash Impact: Positive

Impacted Risk Type: Counterparty Risk

Current Rating = BBB

Flash Impact = Positive

The new 'Decision' provides further guidance on the supervision of the market. This is expected to improve participant surveillance and the overall risk management procedures. Accordingly, the impact on counterparty risk is set to 'Positive'.

Related Flash: [MoF to Issue Surveillance Regulation on Securities Trading, 27/02/2009 \(click to view\)](#)

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