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*SOCIALIST REPUBLIC OF VIETNAM*

*Independence – Freedom – Happiness*

## FOREIGN EXCHANGE SWAP CONTRACT

***For corporate customers***

*(Spot sell-Forward buy)*

No.: ……./…….../

Today, *date…….. month……. year………*, at………………………, we include:

**PARTY A**: **INDOVINA BANK LTD. - … BRANCH (IVB)**

Address:

Phone No.: Fax:

Business Registration:

Represented by Mr./Ms: Title:

Based on authorization letter No:

**PARTY B:**

Address:

Phone No.: Fax:

Business Registration:

Represented by Mr./Ms: Title:

Based on authorization letter No:

The two parties have agreed to sign this Foreign Exchange Swap Contract for a spot sell and forward buy (hereinafter referred to as the 'Contract') with the following terms and conditions:

# Article 1: Transaction information

|  |  |  |
| --- | --- | --- |
|  | **Spot sell of foreign currency** | **Forward buy of foreign currency** |
| **Currency pair** | ………./……… | ………./……… |
| **Transaction direction** | Party A sells spot foreign currency to Party B | Party A buys forward foreign currency from Party B |
| **Transaction quantity** | In figures:  In words: | In figures:  In words: |
| **Rate** | Spot rate: | Forward rate:  Forward points: |
| **Total amount** | In figures:  In words: | In figures:  In words: |
| **Settlement date** | Spot sell: .../…/… | Forward buy: …/…/…  Term: … days |

# Article 2: Source of foreign currency and purpose of using foreign currency

1. Source of foreign currency:

Party B commits that the foreign currency sold to Party A has a completely legal origin and does not violate regulations on anti-money laundering, anti-terrorism financing, and anti-proliferation of weapons of mass destruction under Vietnamese law and the internal regulations of IVB at any given time. Party A has the right (but not the obligation) to verify the accuracy of the origin of the foreign currency declared by Party B (if applicable).

1. Purpose of using foreign currency:

🞏 Payment/Advance payment for Contract No. ……………date… / Statement No.…date

🞏 Payment for Letter of Credit (LC) – Sight/Deferred, No.:

🞏 Payment for loan Contract No. ……………...., date

🞏 Other legal purposes:

* Party B commits to using the foreign currency purchased from Party A for the stated purpose and in compliance with legal regulations. Party B is fully responsible under the law for the authenticity of the documents and certificates presented to Party A.
* In the event that, after the payment/transfer deadline (according to the documentation), Party B does not use, or only partially uses the foreign currency purchased, Party A has the right to purchase the unused foreign currency at the purchase rate quoted by Party A on the next working day following the payment/transfer deadline.

# Article 3: Margin deposit

On the date of signing this Contract, in order to ensure the performance of the Contract, Party B provides Party A with a margin deposit under the following conditions:

1. Margin deposit amount: ………………., equivalent to .......% of contract value. **[[1]](#footnote-1) [[2]](#footnote-2)**
2. Margin deposit method: Transferring the margin to the escrow account designated by Party A. Party B unconditionally agrees to allow Party A to freeze the entire amount to ensure the performance of this Contract.
   * Debit the margin from account No.:…
3. The two parties agree on the handling of the margin deposit mentioned in Clause 1 of this Article as follows:
   * Party A shall return the full amount of the margin deposit to Party B after Party B has fulfilled its obligations under this Contract with Party A, or if Party A fails to meet its obligations under this Contract with Party B.
   * In the event that Party B fails to perform or inadequately performs its obligations under this Contract, the margin deposit shall be applied to offset Party B's payment obligations.
4. The margin deposit shall not accrue any interest from deposit rates issued by IVB.
5. At any time during the validity period of the Contract, if the price volatility ratio at the time of reassessment exceeds 50% of the margin ratio, Party B must top up the margin.

In which:

- The price volatility ratio is the percentage increase of the current reassessment exchange rate compared to the forward rate in this Contract.

- The current reassessment exchange rate is the purchase rate listed by Party A at the time Party A performs the reassessment and requests a margin supplement.

**Supplemental margin = (Current reassessment exchange rate - Forward rate) \* Quantity of foreign currency**

1. Party A has the right to automatically debit from Party B's account specified in Clause 2 of this Article to supplement the margin. If Party B's account balance is insufficient and Party B fails to provide the required margin deposit as requested by Party A, Party A is entitled to unilaterally terminate this Contract before the payment date. Party B is responsible for compensating Party A for any damages resulting from the cancellation of the transaction (if any).

# Article 4: Payment instructions

On the settlement date of Spot sell :

|  |  |  |  |
| --- | --- | --- | --- |
| Party B allows Party A to automatically debit Party B’s account: | | Party A has responsibility to credit Party B's account: | |
| Account No.: | ....... | Account No.: | ....... |
| At: | ....... | At: | ....... |
| Account name: | ....... | Account name: | ....... |
| Amount: | ....... | Amount: | ....... |

On the settlement date of Forward buy:

|  |  |  |  |
| --- | --- | --- | --- |
| Party B allows Party A to automatically debit Party B’s account: | | Party A has responsibility to credit Party B's account: | |
| Account No.: | ....... | Account No.: | ....... |
| At: | ....... | At: | ....... |
| Account name: | ....... | Account name: | ....... |
| Amount: | ....... | Amount: | ....... |

# Article 5: Handling violations

1. In the event that Party B breaches any obligation or commitment under this Contarct, Party B will be subject to a contract breach penalty of 8% of the value of the breached contractual obligation.
2. In addition, Party B must compensate Party A for any actual damages incurred.
3. Party B is responsible for fully paying the penalty for breach of contract and the compensation for damages to Party A. This amount will be automatically considered as a debt owed by Party B to Party A. In such a case, Party A has the right to automatically debit the margin deposit to address the issue. If the margin deposit is insufficient for payment, Party B unconditionally agrees to allow Party A full authority to automatically debit from Party B’s current account or any other account of Party B at Party A.

In the event that Party A has made the aforementioned deduction but it is still insufficient to cover the penalty and compensation for damages, Party B agrees to unconditionally owe this amount to Party A. In such cases, Party A has full rights to pursue and/or dispose of any assets of Party B or apply other legal measures and agreements to recover this debt.

1. In the event that Party A breaches any obligation or commitment under this Contract, Party A shall return full amount of the margin deposit to Party B.

# Article 6: General provision

1. This Contract shall be effective from the date of signing until all parties have fulfilled their rights and obligations. Any amendments or additions to the Contract must be agreed upon in writing and signed by both parties (amendment agreements). These amendment agreements shall form an integral part of this Contract.
2. In the event of a dispute, both parties have the right to negotiate together to resolve it. Any disputes arising from or related to this Contract that cannot be resolved through negotiation or if one or both parties do not engage in negotiation will be resolved by the competent People's Court in accordance with the law.
3. This Contract shall be made into 02 (two) original copies with the same value. Each party shall keep 01 (one) original copy for implementation.

|  |  |
| --- | --- |
| **Party A**  (Signature and stamp) | **Party B**  (Signature and stamp) |

1. For USD/VND transactions: a minimum margin of 3% of the contract value. [↑](#footnote-ref-1)
2. For transactions involving foreign currencies other than USD/VND: a minimum margin of 7% of the contract value. [↑](#footnote-ref-2)