







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Indicator	Score
4.1.1	Context

4.1.1 Context

4.1.1.050: Has the government created a special fund or natural resource fund that concentrates revenue directly from oil, gas or mineral extraction?

Score: A B C

Comments:

There are other funds: the Financial Reserve Fund, the Fund for Petroleum research and exploration, the Development Investment Fund and the Fund for the Holding Company's Executive Committee and the deducted level ((Decree No. 142/2007/ND-CP)

References:

There is no Fund created to concentrate revenue from oil, gas or mineral extraction.

4.1.1.051: What authority is responsible for the natural resource fund?

Score: A B C D E

References:

There is no Fund created to concentrate revenue from oil, gas or mineral extraction.

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Indicator		Score
4.2.1	Comprehensive reports	N/A
4.2.2.056	Audited reports	N/A

4.2.1 Comprehensive reports

4.2.1.052: Are the rules for the fund's deposits and withdrawals published, including the formula(s) for deposits and withdrawals?

Score: A B C

References:

There is no Fund created to concentrate revenue from oil, gas or mineral extraction.

4.2.1.053: Does the fund management or authority in charge of the fund publish comprehensive information on its assets, transactions and investments?

Score: A B C D E

References:

There is no Fund created to concentrate revenue from oil, gas or mineral extraction.

4.2.1.054: Are the reports containing information on the fund's assets and transactions understandable?

Score: A B C D E

References:

There is no Fund created to concentrate revenue from oil, gas or mineral extraction.

4.2.1.055: How often are financial reports published by the fund management or authority in charge?

Score: A B C D E

References:

There is no Fund created to concentrate revenue from oil, gas or mineral extraction.

4.2.2.056 Audited reports

4.2.2.056a: Are the fund s financial reports audited?

Score: A B C D **E**

References:

There is no Fund created to concentrate revenue from oil, gas or mineral extraction.

4.2.2.056b: Are the audited financial reports published?

Score: A B **C**

References:

There is no Fund created to concentrate revenue from oil, gas or mineral extraction.

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Indicator	Score
4.3.1 Legal Framework and Practice	N/A

4.3.1 Legal Framework and Practice

4.3.1.057: Are the rules governing deposits into the fund defined by legislation?

Score: A B **C**

Comments:

Do not have any natural resource funds

References:

There is no Fund created to concentrate revenue from oil, gas or mineral extraction.

4.3.1.058: In practice, does the government follow the rules governing deposits to the natural resource fund?

Score: A B C D **E**

References:

There is no Fund created to concentrate revenue from oil, gas or mineral extraction.

4.3.1.059: Are the rules governing withdrawal or disbursement from the fund defined by legislation?

Score: A B **C**

References:

There is no Fund created to concentrate revenue from oil, gas or mineral extraction.

4.3.1.060: In practice, does the government follow the rules governing withdrawal or spending from natural resource fund?

Score: A B C D **E**

References:

There is no Fund created to concentrate revenue from oil, gas or mineral extraction.

4.3.1.061: Are withdrawals or spending from the fund reserves approved by the legislature as part of the budget process?

Score: A B C

References:

There is no Fund created to concentrate revenue from oil, gas or mineral extraction.

4.3.1.062: Are officials of the natural resource fund required to disclose information about their financial interest in any oil, gas or mining projects?

Score: A B C

References:

There is no Fund created to concentrate revenue from oil, gas or mineral extraction.

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Indicator	Score
5.1.1	Context

5.1.1 Context

5.1.1.063: Do central governments transfer resources to subnational authorities based on extraction of mineral resources?

Score: A B C **D** E

Comments:

There is no decentralization in the petroleum sector. Vietnam governments and Ministries manage directly all activities in this sector. All fiscal receipts go directly into the State Budget together with revenue from other sectors, and the Ministry of Finance (MOF) controls the planning, assessment, collection and disbursements of these revenues. There are no special earmarks for resource producing areas to receive benefit streams from petroleum projects. There are broader provisions that allow provinces to retain a certain percentage of value added taxes collected in their areas, as well as 100% of environmental protection fees for all projects under their jurisdiction. The government wants to ensure distribution equitably in whole country, for provinces which have natural resources as well as provinces which do not have.

The amount to distribute from central to sub-national level depends on the annual expenditure plan of each province, appraised of Ministry of Finance and approved by National Assembly. Information about expenditure is published annually in website of Ministry of Finance and provinces.

References:

http://www.gso.gov.vn/default_en.aspx?tabid=468&idmid=3&ItemID=12093

http://www.gso.gov.vn/default_en.aspx?tabid=468&idmid=3&ItemID=12096

5.1.1.064: Are conditions imposed on subnational government as part of revenue sharing regime?

Score: A B **C**

References:

It is part of state budget regulations.

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Indicator	Score
5.2.1	Disclosure

5.2.1 Disclosure

5.2.1.065: Are the rules for revenue transfers from central to sub national governments published, including the formula(s) for revenue sharing?

Score: A B **C**

References:

Transfers are part of the general budget. There are some exceptions: environmental protection fees are collected and go to sub-national budget. All other taxes and revenue go directly to State Treasury and Budget, which is managed by Ministry of Finance.

Peer Review Comments:

There does not exist clear and detailed principles for revenue allocation. This is a subjective decision of the central government.

5.2.1.066: Does the central government publish comprehensive information on transfers of resource related revenues to sub-national governments?

Score: A B C D **E**

References:

Part of general budget.

Peer Review Comments:

Part of general budget

5.2.1.067: Are the reports containing information on transfers of resource related revenues to sub-national governments understandable?

Score: A B C D **E**

References:

Part of general budget managed by MOF.

5.2.1.068: How often does the central government publish information on transfers of resource related revenues to sub-national governments?

Score: A B C D **E**

References:

There are no special transfers of revenue from central to sub-national level based on production of petroleum, all transfers relate to general budget.

5.2.1.069: Do sub-national governments publish information on transfers received from central governments?

Score: A B **C**

References:

All transfers relate to general budget process.

Peer Review Comments:

Part of sub-national (provincial) budget

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Indicator	Score
5.3.1 Legal Framework and Practice	N/A

5.3.1 Legal Framework and Practice

5.3.1.070: Are arrangements (including formulas and responsible institutions) for resource revenue sharing between central and sub-national governments defined by legislation?

Score: A B **C**

Comments:

At present, oil and gas projects do not require support from local authorities. However, before 2008, Vietsopetro Joint Venture Company voluntarily contributed about USD1-1.5 million to Ba Ria-Vung Tau province, aimed at the construction of local infrastructure.

References:

All transfers relate to budget process.

5.3.1.071: In practice, does the government follow the rules established by resource revenue sharing legislation?

Score: A B C D **E**

References:

All transfers relate to general budget process.

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Context

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Indicator	Score
1.1	Context
1.1	Context

1.1.001: Does the country have a clear legal definition of ownership of mineral resources?

Score: A B C D E

Comments:

Background information from US Energy Information Administration, updated May 2012, <http://www.eia.gov/countries/cab.cfm?fips=VM>

Oil: "Vietnam's oil production has declined overall since 2004, after several years of steady increases and became a net oil importer in 2011. According to Oil & Gas Journal (OGJ), Vietnam now ranks third in terms of proven oil reserves for the Asia-Pacific region. Vietnam held 4.4 billion barrels of proven oil reserves as of January 2012, which was significantly higher than 0.6 billion barrels of oil in 2011. This increase is in part a result of Vietnam's efforts to intensify exploration and development of its offshore fields. Ongoing exploration activities could increase this figure in the future, as Vietnam's waters remain relatively underexplored....Vietnam's oil production increased steadily until 2004, when it peaked above 400,000 barrels per day (bbl/d). Since 2004, oil production has slowly declined, reaching an estimated 326,000 bbl/d in 2011."

Natural Gas: "According to OGJ, Vietnam held 24.7 trillion cubic feet (Tcf) of proven natural gas reserves as of January 2012. Reserves have risen considerably since 2007 as a result of Vietnam's aggressive policy to attract investment and issue exploration contracts for its offshore acreage. In 2010, Vietnam produced 290 billion cubic feet (Bcf) or 0.8 Bcf/d of natural gas, more than double 2005 production, and it expects production will rise to 1.4 Bcf/d by 2015. Vietnam is currently self-sufficient in natural gas. "

According to the BP Statistical Review 2012, Vietnam was the 6th-largest oil producer in the Asia-Pacific region, at 328 thousand bbl/day in 2011. (see http://www.bp.com/assets/bp_internet/globalbp/globalbp_uk_english/reports_and_publications/statistical_energy_review_2011/STAGING/local_assets/pdf/statistical_review_of_world_energy_full_report_2012.pdf, p. 8)

References:

In the Constitution of the Socialist Republic of Vietnam (1992):

"Natural resources are owned by the citizens and the State assumes the unified administration of natural resources according to overall planning and in conformity with the law and ensures its appropriate and effective use..."

According to the provision of natural resource ownership above, the Vietnamese government has responsibility for management of petroleum and mineral sector, through the Prime Minister, relevant ministries and petroleum state-owned corporation.

1.1.002: Who has authority to grant hydrocarbon and mineral rights or licenses?Score: A B **C** D E**Comments:**

The government of Vietnam, represented by the Prime Minister, has responsibility for managing oil and gas operations. The Ministry of Industry and Trade is responsible for managing the petroleum sector. There is no decentralized authority on this sector to sub-national levels. It is characteristic of centralized planned economy in current management of Vietnam's petroleum sector.

The Prime Minister has ultimate authority to authorize hydrocarbon licenses and final decision for petroleum contracts.

References:

See Articles 38 (Petroleum Law 2008):

1. The Government will perform the unified state management of oil and gas activities
2. The Ministry of Industry and Trade will take responsibility before the Government for the state management of oil and gas activities prescribed below: ...b/ to assume primary responsibility for submitting to the Prime Minister for approval oil and gas contracts and oil & gas investment project according to the investment law, reporting on reserves, overall plans and plans on field development, results of oil and gas lot and contract bidding and foreign cooperation schemes for oil and gas activities in overlapping areas with foreign countries,...

Peer Review Comments:

Although the Prime Minister has final authority to grant hydrocarbon rights and the Ministry of Industry and Trade (MOIT) acts as the regulator for the sector (such as issuing regulatory approvals for PSCs), PVN is actually the one who makes all the initial selection of Contractors (oil and gas companies) and proposals to MOIT and the Prime Minister. PVN is the one negotiating the PSC and executing the PSC on behalf of the Government. In a way, it is "bottom up" regulatory process.

1.1.003: What licensing practices does the government commonly follow?Score: **A** B C D E**References:**

- 1) Petroleum contracts follow a bidding process with specific regulation for oil and gas prospecting, exploration and exploitation projects. These regulations are set in Decree No.34/2001/ND-CP of July 6.2001 and in the Decree No.115/2009/ND-CP, which supplements the 2008 Petroleum Law and the 2001 Petroleum Bidding Regulation.

"...Based on the already approved bidding plan, the bid-soliciting party will issue a bid-invitation notice. The bid-invitation notice will be published for 10 consecutive days on two daily papers and on information network in Vietnamese and English languages. It may also be sent directly to organizations and individuals interested in blocks open for bid invitation..." (Article 9 – Notification of the invitation for bids/Decree No.34/2001/ND-CP)

- 2) Vietnam petroleum agreements: http://www.ccop.or.th/epf/vietnam/vietnam_terms.html

- 3) Brief information about Vietnam petroleum projects are available at: <http://www.pvep.com.vn/> and <http://www.pvn.vn/>
Example: http://english.pvn.vn/?portal=news&page=detail&category_id=11&id=1137

- 4) Example: Vietnam licensing round 2011
http://www.pvn.vn/?portal=news&page=detail&category_id=117&id=2527

Peer Review Comments:

- Under the Vietnam laws not all acreage blocks are subject to open bidding. The criteria for required open bidding are not clear. In practice, Vietnam has not conducted open bidding during the last 5 years

(2006-mid 2011) but only direct negotiations were conducted during that period. Late 2011, Vietnam launched licensing round for 9 blocks.

- Article 16 of Law on Petroleum.

- B could also be the answer.

1.1.004: What is the fiscal system for mineral resources?

Score: A B C D E

Comments:

Oil and gas activities are regulated in the Petroleum Law of 1993, revised and supplemented in 2000 and 2008. Financial liability of the oil and gas company, include: Fee for the purchase and use of petroleum information; bonuses (signature bonus, commercial finding bonus and production bonus); environmental protection fee applicable to crude oil and natural gas; profit sharing; natural resources tax; corporate income tax and mine clearance fund.

In 2010, Vietnam earned \$22.8 billion in revenue from oil, accounting for about 24 percent of GDP (http://export.gov/vietnam/build/groups/public/@eg_vn/documents/webcontent/eg_vn_030032.pdf)

References:

1) Taxpayers in petroleum sector (Article 12 – Circular 32/2009/TT-BTC): (i) For petroleum contracts signed in the form of product-sharing contract, taxpayers are executives; (ii) For petroleum contracts signed in the form of joint-administration contract, taxpayers are joint-administration companies; (iii) For petroleum contracts signed in the form of joint-venture contract taxpayers are joint-venture enterprises; (iv) In cases where the Vietnam National Petroleum Group or its attached corporations or companies conduct crude oil or natural gas survey, exploration and exploitation activities by themselves, taxpayers are the Vietnam National Petroleum Group or its attached corporations or companies.

2) Contract term of Vietnam Petroleum sector
http://www.ccop.or.th/epf/vietnam/vietnam_terms.html

3) Financial liabilities of the petroleum company in Vietnam (page 32), EITI and the Implementation Perspective of Vietnam, CODE, 2011

4) Decree No. 82/2009/ND-CP of October 12, 2009, amending and supplementing a number of articles of the Government's Decree No. 63/2008/ND-CP of May 13, 2008, on environmental protection charges for mineral exploitation. source: <http://lawfirm.vn/?a=doc&id=1717>

1.1.005: What agency has authority to regulate the hydrocarbon and mineral sector?

Score: A B C D E

Comments:

1. The Ministry of Industry and Trade (MOIT) has responsibility of the state management of oil and gas activities. MOIT has four basic governance functions in the National Petroleum sector: (i) Policy making – setting direction, goals and objectives; (ii) Strategy-making – translating policies into plans of action; (iii) Operational decision making – Implementation of policy; (iv) Monitoring and regulation – providing assurance and compliance. These functions are detailed by Petroleum Law 2008, including: playing a key role in the growth/implementation and monitoring of master plans for developing Vietnam's petroleum sectors as well as policies/laws to regulate all steps of petroleum sector, from exploration, exploitation, refinement to usage and export, in collaboration with state-owned and other international petroleum corporations.

2. Pursuant to Decree No 118/2008/ND-CP, the main tasks and duties of the Ministry of Finance are

managing collection of tax, fees and other revenues under the State Budget, as well as management of the budget, the State reserve fund and other State financial funds. Hence, the MOF controls the planning, assessment, collection and disbursements of taxes, fees and other revenue from petroleum sector to State Budget. Disbursements are made from a central account to ministries and provinces based on the approved budget allocation and appraised by the MOF before approval by Parliament. This is characteristic of centralized economy in the current management of fiscal revenue from the petroleum sector in Vietnam.

3. Ministry of Planning and Investment (MPI) is responsible for investment certificate registration and investment capital of companies.

4. Ministry of Natural resource and Environment (MONRE) has responsibilities in assessing and managing environmental and social impacts of petroleum activities.

5. Vietnam Oil and Gas Group (PetroVietnam) is the international transaction name of PetroVietnam (abbreviated as PVN). It is the state owned corporation that holds a monopoly in the upstream, mid-stream and virtually all key downstream areas of the industry. According to the Petroleum Law 1993 and its amendments 2000 and 2008, PVN has the authority to negotiate oil and gas contracts in part or in whole. The national oil and gas group is required to report directly to the Prime Minister and Ministry of Industry and Trade both periodically and annually.

6. Parliament – Vietnam National Assembly is the elected body representing the will and aspiration of the people. According to petroleum laws and policies, the Vietnam National Assembly do not have a direct role in the management and monitoring of the oil and gas sector. Nevertheless, the Vietnam National Assembly is informed of developments in the sector through the regular auditing process of relevant ministries and state-owned corporation; or through reports of related ministries at Annual National Assembly meetings.

9. Inspection of Petroleum Operations: According to the Petroleum Law 1993 and its amendment 2000 and 2008, the Ministry of Industry and Trade establishes and organizes the implementation of the inspection function regarding Petroleum Operations. The purpose of inspection is to ensure compliance with the provisions of Petroleum Law and regulations, technical procedures, specifications and rules; to conserve Petroleum resources; to protect the environment, enforce safety rules, and the fulfillment of obligations to the State of Vietnam by organizations and individuals conducting of Petroleum Operation. In addition, in regard to fiscal revenue aspect, the Ministry of Finance establishes and organizes the implementation of petroleum taxes, fees and other revenue systems. These activities are also conformed to regulations of Inspection Law 2010.

Following these regulations above, in one year, inspectors of MOIT and MOF carry out inspections of petroleum operations in petroleum companies (periodical or extraordinary). The over-lapping functions and plans of inspectors of related ministries has led to too many inspection times in one year. These inspections are also too formal and non-efficient. On the other hand, the regulation in Inspection Law prescribes inspectors to pre-inform timeline of both periodical and extraordinary inspections for companies, which can reduce effectiveness of these activities.

References:

Please see Articles 38, Petroleum Law 2008

Peer Review Comments:

Under a given PSC, PVN monitors contract compliance, approves work program and budget, execution of commitments etc. MOIT (petroleum regulator) and Prime Minister approve those recommended and proposed by PVN.

B could also be the answer.

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Disclosure

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Indicator	Score
1.2.006 Information on licensing process	67 
1.2 Contract transparency	0 
1.2.008 Environmental and social impact assessments	44 
1.2 Access to information and legislation	67 

1.2.006 Information on licensing process

1.2.006.a: What information does the government publish on the licensing process before negotiations?

Score: A B C D E

Comments:

PetroVietnam website announces petroleum bidding and licensing rounds, designed to attract international investment. Most process published and available in or other international websites that international companies can access.

References:

Petroleum contracts follow specific regulation on bidding for oil and gas prospection, exploration and exploitation projects. Regulation is set in Decree No.34/2001/ND-CP of July 6, 2001, containing regulation on bidding for oil and gas projects and in Decree No.115/2009/ND-CP supplementing the 2008 Petroleum Law and the 2001 Petroleum Bidding Regulation.

See information on Vietnam Oil and Gas Group and other websites:

http://english.pvn.vn/?portal=news&page=detail&category_id=116&id=3644

http://www.oilvoice.com/n/Vietnam_Announces_2011_Licensing_Round/af7df9048.aspx

<http://www.petroleum-economist.com/Article/2888170/Vietnam-launches-2011-offshore-round.html>

Peer Review Comments:

- See our comments in Question 2.

"Under the Vietnam laws not all acreage blocks are subject to open bidding. The criteria for open bidding are not clear. In practice, Vietnam has not conducted open bidding during the last 5 years (2006-mid 2011) but only direct negotiations were conducted during that period. Late 2011, Vietnam launched licensing rounds for 9 blocks."

- Direct negotiation/award shall continue in the form of "first come, first served".

1.2.006.b: What information does the government publish on the licensing process after negotiations?

Score: A B C D E

Comments:

Licensing process or contracts process is regulated by laws, as auction rounds, with a call for bids published in the media. PetroVietnam receives proposals from companies and reports on engagement or negotiations, and publishes reports with information about its activities.

References:

Some brief announcements for petroleum contracts:

- 1) http://english.pvn.vn/?portal=news&page=detail&category_id=11&id=1141
- 2) http://english.pvn.vn/?portal=news&page=detail&category_id=11&id=1137
- 3) http://english.pvn.vn/?portal=news&page=detail&category_id=116&id=3644

1.2 Contract transparency

1.2.007: Are all contracts, agreements or negotiated terms for exploration and production, regardless of the way they are granted, disclosed to the public?

Score: A B C **D** E

Comments:

There is no rule to disclose petroleum contracts in Petroleum laws or another related laws and policies. But Vietnam Oil and Gas Group (PetroVietnam) and Petrovietnam exploration and production corporation (PVEP) are publishing some brief basic information about petroleum contracts. (See excel file: Petroleum contracts)

References:

Information about contracts published by Vietnam oil and gas group:

http://www.pvep.com.vn/Default.aspx?pageid=126&action=view&flash=vietnamhttp://english.pvn.vn/?portal=news&page=detail&category_id=38&id=1036

1.2.008 Environmental and social impact assessments

1.2.008.a: Does legislation require that mining, gas and oil development projects prepare an environmental impact assessment prior to the award of any mineral rights or project implementation?

Score: **A** B C

Comments:

By Law, all petroleum project have to carry out EIA report. According to regulation, projects with potential impacts on local communities have to publish EIA reports and impacts of project and carry out community consultations. However, in practice, all petroleum projects in Vietnam are offshore and there is no implementation of this rule.

References:

- 1) Vietnam Environmental Protection Law 2005, chapter III
- 2) Decree No.29/2011/ND-CP (Articles 13, 2b): For an oil and gas exploration project specified in Section 1 or 2 of Appendix II to this Decree, the project owner shall submit the environmental impact assessment report before drilling for oil and gas. For an oilfield exploitation project, the project owner shall submit the environmental impact assessment report before the approval of the oilfield development plan. The decision approving the environmental impact assessment report is a basis for a competent authority to approve the oil field development plan.

Peer Review Comments:

- Before granting a PSC, there is no requirement for EIA. EIA is required before actual petroleum operations (drilling etc.).
 - When granting a PSC, the EIA is not required.
-

1.2.008.b: Are environmental impact assessments for oil, gas and mining projects published by the authority in charge of regulating the sector and is there a consultation process?**Score:** A B C D E**References:**

All regulations related to Environmental Impact Assessment are in the Vietnam Environmental Law 2005, chapter III, including regulation on community consultation. But there is not provision for disclosure of EIA reports.

Peer Review Comments:

- When making an environmental impact assessment report, the project owner, except in some cases, shall consult:
 - The People's Committee of the commune, ward or township (below referred to as commune level) in which the project is to be implemented;
 - Representatives of communities and organizations directly affected by the project.
 - After an environmental impact assessment report is approved, the project owner shall formulate, approve and publicly display its environmental control plan at the office of the commune-level People's Committee of the locality in which consultation of the community is made for people's information, examination and oversight.
 - There have been various concerns over the actual compliance with this regulatory requirements.
 - Article 14, 22 of Decree 29/2011/ND-CP of Government dated 18 April 2011.
-

1.2.008.c: Does legislation require that mining, gas and oil development projects prepare a social impact assessment?**Score:** A B C**Comments:**

Social impact assessments usually account for one page in 50-100 pages of EIA reports. Since all petroleum projects are off-shore, this issue has received no attention.

References:

Social impact assessments are included as part of Environmental Impact Assessments.

Peer Review Comments:

Note that there is no requirement for this to be done prior to awarding a PSC. Before actual implementation, it should be part of the EIA.

1.2.008.d: Are social impact assessments for oil, gas and mining projects published and is there a consultation process?**Score:** A B C D E**Comments:**

Vietnamese citizens lack an access to information legislation that applies to the oil and gas sector. However, rules and legislation do provide for limited disclosure of information. Although regulation in the Environmental Law 2005 provides for social impact reports within EIA reports, all petroleum projects in Vietnam are currently offshore. This rule does not apply.

References:

Chapter iii, the Vietnam Environmental Protection Law 2005.

Peer Review Comments:

- When making an environmental impact assessment report, the project owner, except some cases, shall consult:
 - The People's Committee of the commune, ward or township (below referred to as commune level) in which the project is to be implemented;
 - Representatives of communities and organizations directly affected by the project.
- After an environmental impact assessment report is approved, the project owner shall formulate, approve and publicly display its environmental control plan at the office of the commune-level People's Committee of the locality in which consultation of the community is made for people's information, examination and oversight.
- Refer to our comments in Question in 8a and 8b.

1.2 Access to information and legislation

1.2.009: Does the government publish detailed mineral/hydrocarbon resource legislation?

Score: A B C D E

References:

Every petroleum legal documents are published by governmental agencies and it is very easy to access these documents:

1) PVN

http://english.pvn.vn/?portal=news&page=file_list

2) <http://www.chinhphu.vn/portal/page/portal/English>

1.2.010: This country has adopted a rule or legislation that provides for disclosure of information in the oil, gas and mineral sectors.

Score: A B C D E

Comments:

In Vietnam, ordinance on protection of national secrets (2000) includes the petroleum sector in the strategic areas. Thus all information (reserves, contracts, operating information) are kept secret. Vietnamese citizens lack a right to require information about their country's oil and gas sector. However, rules and legislation do provide for limited disclosure of operational and financial reports.

References:

The 1992 Constitution, articles 69: " Citizens are entitled to freedom of speech and freedom of the press; they have the right to receive information and the right of assembly, association and demonstration in accordance with the law"

In 2005, the National Assembly passed the Anti-Corruption Law for all Vietnamese industries. The Law sets out clear objectives concerning increased public disclosure of revenues and expenditures at all levels of governments. Articles 11 regulates publicity and transparency in the activities of agencies, organization and units: "Agencies, organizations and units must publicize their activities, except for contents classified as state secrets and other contents prescribed by the Government". And Articles 18,

"State enterprises shall have the responsibility to publicize the State's capital and properties invested in the enterprises, preferential loan capital, financial statements and auditing results, the appropriation, setting up and use of their funds, the labor recruitment, the appointment of leading and managerial officials of enterprises and other contents as provided for by law"


According Chapter 8 Publication of information, Vietnam Securities Law 2007, issuers of securities, listed institutions, securities firms and fund management companies are subject to certain reporting and information disclosure obligations on full, accurate and timely basic in accordance with this Law.

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Legal Framework and Practices

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Indicator	Score
1.3 Legal Framework and Practices	39 

1.3 Legal Framework and Practices

1.3.011: The authority in charge of awarding licenses or contracts for mineral or hydrocarbon production is independent of the state owned company (SOC) or other operating companies.

Score: A B C

Comments:

According to the Petroleum Law of 1993 and its amendments in 2000 and 2008, PVN has the authority to negotiate oil and gas contracts in part or in whole. The national oil and gas group is required to report directly to the Prime Minister and Ministry of Industry and Trade both periodically and annually. It also has responsibility to sign the contract with other partners. But the Ministry of Industry and Trade and Prime Minister give the final decision.

References:

Mentioned above, in chapter VI and chapter VII of the Petroleum law 1993, 2000. And articles 38, Petroleum law 2008

Peer Review Comments:

PVN is instrumental in the selection of Contractors and award of PSC. PVN makes all recommendations and proposals to the MOIT and Prime Minister.

1.3.012: Is the licensing process intended to be open and competitive to all qualified companies?

Score: A B C D E

Comments:

Licensing process has requirements for companies contained in bidding rounds. Conditions to participate in bidding rounds in Vietnam petroleum sector: (i) Having financial and technical capabilities as well as professional experiences in the field of oil and gas activities; (ii) currently performing at least 2 oil and gas prospection, exploration and exploitation contracts anywhere.

Organizations and individuals that fail to satisfy these conditions but willing to participate in oil and gas activities in Vietnam can associate with qualified organizations or individuals to form an oil and gas conglomerate according to the provisions in Clause 4, Article 3 of this Regulation (4. "Oil and gas conglomerate" means a combination of 2 or more organizations and/or individuals, whereby at least one organization or individual is carrying out at least two contracts on oil and gas prospection, exploration and exploitation anywhere, which is established on the basis of agreement for participation in bidding for oil and gas prospection, exploration and exploitation projects in Vietnam). In this case, the qualified organizations and individuals shall represent all the concerned parties in the oil and gas conglomerate to participate in bidding.

References:

Based on regulations of Petroleum laws, 1993 and 2000 and 2008

Peer Review Comments:

It is not required that all blocks are subject to open bidding.

Once bidding is conducted, it generally follows the transparency requirements.

1.3.013: Does the licensing process or legislation impose limits to discretionary powers of the authority in charge of awarding licenses or contracts?

Score: A B C D E

References:

Based on regulations of Petroleum laws, 1993 and 2000 and 2008

Articles 20 (in Petroleum 1993 and 2000) : The contractor and the Vietnam Oil and Gas Corporation shall agree in a Petroleum contract upon a work programme and commitments on minimum financial investment during the exploration period.

Articles 23 (in Petroleum law 2008) : A oil and gas contract must be approved by the Prime Minister and take effect as prescribed in the investment certificate.

Peer Review Comments:

- Vietnam does offer stabilization regime to all oil and gas industry players.
 - There is no clearly defined criteria for determining fiscal incentives to oil and gas projects – it is largely a negotiated deals in direct negotiation.
-

1.3.014: Does the legislative branch have any oversight role regarding contracts and licenses in the oil, gas and mining sector?

Score: A B C D E

Comments:

The National Assembly usually monitors each sector once a year. In 2012, the National Assembly has one monitoring program, from March to September, of the mineral sector. There has never been one in the petroleum sector though.

References:

Based on Articles 38, Petroleum law 2008:

1. The Government will perform the unified state management of oil and gas activities.
2. The Ministry of Industry and Trade will take responsibility on behalf of the Government for management of oil and gas activities prescribed, such as: to promulgate or submit for promulgation legal documents, strategies, master plans and plans on development of the oil and gas industry....

Chapter VII, Petroleum 1993 and 2000:

Inspection of Petroleum Operations constitutes an inspection in the petroleum industry with a view to ensure compliance with the provisions of this law and regulations, technical procedures, specifications and rules, conserve Petroleum resources, protect the environment, enforce safety rules, and the performance of obligations owing to the State of Vietnam by organizations, individuals conducting Petroleum Operations.

The state petroleum management authority will be established and organized to implement the Petroleum Operations inspection function.

Peer Review Comments:

The National Assembly may initiate special investigations into alleged violations. In practice, however, the National Assembly has almost never initiated such investigations (and the NA does not have the

capacities to do serious investigations anyway).

1.3.015: Is there a due process to appeal licensing decisions?

Score: A B C

References:

There is one article in Petroleum law related to this issue:

Articles 46: Organizations, individuals will have the right to appeal any decisions made on adjudication of violations as stipulated by Vietnamese Laws.

And it was detailed by Decree 145/2006/ND-CP dated November 30th 2006 by the Prime Minister, providing for the sanctioning of administrative violations in the petroleum domain.

Peer Review Comments:

There have been complaints in the past but there was no effective complaint resolution mechanism in practice.

1.3.016: Is there a legal or regulatory requirement to disclose all beneficial ownership in oil, gas and mining companies or projects?

Score: A B C

References:

Such information about the contract, reserve and development strategy of oil and gas in Vietnam is considered as a state secret and cannot be disclosed publicly. (Ordinance no.30/2000/PL-UBTVQH10)

Source: http://moj.gov.vn/vbpq/en/Lists/Vn%20bn%20php%20lut/View_Detail.aspx?ItemID=4

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Context

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Indicator	Score
2.1 Context	100 ■

2.1 Context

2.1.017: Does the government receive in-kind payments instead of financial payments from resource companies?

Score: A B C

Comments:

Petroleum regulation allow companies to pay taxes with crude oil or natural gas. However, through interviews with staff of the general department of taxation, they said that despite this regulation, in fact every petroleum companies pays fiscal obligations in cash.

References:

Circular No.32/2009/TT-BTC dated in Feb 19, 2000 on guiding the implementation of tax provisions applicable to organizations and individuals conducting petroleum prospecting, exploration and exploitation activities under the Petroleum Law.

Article 9. Royalty declaration and payment:

1. Royalties shall be paid in crude oil or natural gas; in cash; or partially in cash and partially in crude oil or natural gas.

2.1.018: If the government or state owned companies sell physical commodities (oil, gas or minerals) from in-kind payments or own production, is there information about how these commodities are marketed?

Score: A B C D E

References:

In practice there are no in-kind payments.

Peer Review Comments:

Crude oil sales has been conducted through PV Oil - a 100% owned affiliate of PetroVietnam.

2.1.019: What authority actually collects payments from resource companies?

Score: A B C D E

Comments:

All revenues from crude oil, condensate and natural and associated gas is deposited into state budget revenue accounts at state treasuries of localities where enterprises register and declare tax, and wholly transferred to the State Budget under regulations. The Ministry of Finance (MOF) controls the planning, assessment, collection and disbursements of these revenues. Ministry of Finance has all statistical

databases related to fiscal regime in petroleum sector.

References:

1. Circular No. 32/2009/TT-BTC of February 19, 2009 by Ministry of Finance, guiding the implementation of tax provisions applicable to organizations and individuals conducting petroleum prospecting, exploration and exploitation activities under the Petroleum Law.

Article 4. Places of tax registration, declaration and payment: (i) Places of tax registration, declaration and payment (excluding import duty and export duty) are provincial-level Tax Departments of localities where taxpayers' principal executive offices are located; (ii) For petroleum contracts under which exploitation activities have been carried out before the effective date of this Circular, the places of tax registration, declaration and payment comply with the guidance provided before the effective date of this Circular.

2. Circular 56/2008/TT-BTC of the Ministry of Finance - guiding the enumeration, payment and settlement of the revenues of the State provided for in Article 18 of the Regulation on financial management of Vietnam Oil and Gas Group (PetroVietnam), issued together with Decree dated 05/9/2007 of the Government No.142/2007/ND-CP (not available in English)











Source: <http://www.customs.gov.vn/English/Lists/Documents/ViewDetails.aspx?List=889a92fd-e7a0-4c8e-b800-80ff1158ebaf&ID=1072>

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Disclosure

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Indicator		Score
2.2A.020	Does the Ministry of Finance publish periodical information on revenue generation?	7 
2.2A.020.j	Does the Ministry of Finance publish information on disaggregated revenue streams?	13 
2.2A	Quality of reports	33 
2.2B.020	Does the Ministry of the extractive sector publish information on revenue generation?	44 
2.2B.020.j	Does the Ministry of the extractive sector publish information on disaggregated revenue streams?	13 
2.2B	Quality of reports	84 
2.2C.020	Does a Regulatory Agency publish information on revenue generation?	N/A
2.2C.020.j	Does a Regulatory Agency publish information on disaggregated revenue streams?	N/A
2.2C	Quality of reports	N/A
2.2D.020	Does the Central Bank publish information on revenue generation?	N/A
2.2D.020.j	Does the Central Bank publish information on disaggregated revenue streams?	N/A
2.2D	Quality of reports	N/A
2.2E.020	Does any other government agency or entity publish information on revenue generation?	11 
2.2E.020.j	Does any other government agency or entity publish information on disaggregated revenue streams?	13 
2.2E	Quality of reports	50 
2.2	Public sector balance	84 

2.2A.020 Does the Ministry of Finance publish periodical information on revenue generation?

2.2A.020.a: Reserves

Score: A B C **(D)** E

References:

All information related to state budget published by MOF available at:

http://www.mof.gov.vn/portal/page/portal/mof_en

2.2A.020.b: Production volumes

Score: A B C D E

References:

MOF does not have responsibility to manage the technical information of petroleum sector. Such information belongs to Ministry of Industry and Trade.

http://www.mof.gov.vn/portal/page/portal/mof_en

2.2A.020.c: Information on prices

Score: A B C D E

References:

MOF does not have responsibility to manage the technical information of petroleum sector. Such information belongs to Ministry of Industry and Trade.

http://www.mof.gov.vn/portal/page/portal/mof_en

2.2A.020.d: Value of resource exports

Score: A B C D E

References:

MOF does not have responsibility to manage the technical information of petroleum sector. Such information belongs to Ministry of Industry and Trade.

http://www.mof.gov.vn/portal/page/portal/mof_en

2.2A.020.e: Estimates of investment in exploration and development

Score: A B C D E

References:

MOF does not have responsibility to manage the technical information of petroleum sector. Such information belongs to Ministry of Industry and Trade.

http://www.mof.gov.vn/portal/page/portal/mof_en

Peer Review Comments:

Estimated investment shall be prepared by PetroVietnam which shall report the same to MOIT and Prime Minister.

2.2A.020.f: Production costs

Score: A B C D E

References:

MOF does not have responsibility to manage the technical information of petroleum sector. Such information belongs to Ministry of Industry and Trade.

http://www.mof.gov.vn/portal/page/portal/mof_en

Peer Review Comments:

PetroVietnam has figure on production costs.

2.2A.020.g: Names of companies operating in country

Score: A B C D E

References:

1) MOF does not have responsibility to manage the technical information of petroleum sector. Such information belongs to Ministry of Industry and Trade.

http://www.mof.gov.vn/portal/page/portal/mof_en

2) In taxpayer information system of the General department of taxation, it is not difficult to find the list of all petroleum companies that are operating and paying taxes in Vietnam:

http://www.gdt.gov.vn/wps/portal/!ut/p/b1/04_Sj9CPyky0xPLMnMz0vMAfGjzOINTCw9fSzCgv2dzLxdDTxDHV2NLAM8jC3CzPQLsh0VAVXv_MU!/ (Vietnamese only)

Peer Review Comments:

PetroVietnam and MOIT maintain the full list.

2.2A.020.h: Production data by company and/or block

Score: A B C D E

References:

MOF does not have responsibility to manage the technical information of petroleum sector. Such information belongs to Ministry of Industry and Trade.

http://www.mof.gov.vn/portal/page/portal/mof_en

Peer Review Comments:

PetroVietnam has these figure and include them in reports of PetroVietnam but such reports are not public documents.

2.2A.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C D E

Comments:

MOF publishes expenditure for environmental protection but in general, not particular by each sector.

References:

MOF does not have responsibility to manage the technical information of petroleum sector. Such information belongs to Ministry of Industry and Trade.

http://www.mof.gov.vn/portal/page/portal/mof_en

http://www.mof.gov.vn/portal/page/portal/mof_vn/1351583/2126549/2117090?

[p_folder_id=2201729&p_recurrent_news_id=2201731](http://www.mof.gov.vn/portal/page/portal/mof_vn/1351583/2126549/2117090?p_folder_id=2201729&p_recurrent_news_id=2201731) (vietnamese only: statistical data of expenditure

for environmental protection purpose)

2.2A.020.j Does the Ministry of Finance publish information on disaggregated revenue streams?

2.2A.020.j1: Production streams value

Score: A B C **(D)** E

References:

MOF does not have responsibility to manage the technical information of petroleum sector. Such role belongs to Ministry of Industry and Trade.

1) http://www.mof.gov.vn/portal/page/portal/mof_en

2) http://www.mof.gov.vn/portal/page/portal/mof_en/State_Budget/dosb/ds

2.2A.020.j2: Government s share in PSC

Score: A B C **(D)** E

References:

MOF does not have responsibility to manage the technical information of petroleum sector. Such role belongs to Ministry of Industry and Trade.

1) http://www.mof.gov.vn/portal/page/portal/mof_en

2) http://www.mof.gov.vn/portal/page/portal/mof_en/State_Budget/dosb/ds

2.2A.020.j3: Royalties

Score: **(A)** B C D E

References:

MOF does not have responsibility to manage the technical information of petroleum sector. Such role belongs to Ministry of Industry and Trade.

1) http://www.mof.gov.vn/portal/page/portal/mof_en

2) http://www.mof.gov.vn/portal/page/portal/mof_en/State_Budget/dosb/ds

"b. Revenue from crude oil:

"The originally budgeted revenue was 69,300 billion dong, with the estimated crude oil sales of 14.02 million tons, and the estimated price of 77 USD/ barrel.

"In view of the actual implementation in the year: Regarding oil price, though current world oil price continued to be volatile, the average annual export oil price of Vietnam could reach 102 USD/ barrel, which is 25 USD/ barrel higher than the budget target; Regarding sales, the annual sales is estimated to be 14.13 million tons, which is 0.11 tons higher than the planning target. With the estimated actual crude oil sales and price, the estimated actual revenue from crude oil in 2011 could be 100,000 billion dong, which is 30,700 billion dong higher than the original budget, and 44.6% higher than the actual in 2010."

2.2A.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A B C **(D)** E

Comments:

In statistical data, revenues from all taxes and fees are aggregated. Published data is not detailed and analysis of the structure of each kind of taxes and fees is not possible.

References:

MOF does not have responsibility to manage the technical information of petroleum sector. Such role belongs to Ministry of Industry and Trade.

- 1) http://www.mof.gov.vn/portal/page/portal/mof_en
 - 2) http://www.mof.gov.vn/portal/page/portal/mof_en/State_Budget/dosb/ds
-

2.2A.020.j5: Dividends

Score: A B C **(D)** E

Comments:

MOF only manages revenue from taxes and fees of petroleum sector.

References:

MOF does not have responsibility to manage the technical information of petroleum sector. Such role belongs to Ministry of Industry and Trade.

- 1) http://www.mof.gov.vn/portal/page/portal/mof_en
 - 2) http://www.mof.gov.vn/portal/page/portal/mof_en/State_Budget/dosb/ds
-

2.2A.020.j6: Bonuses

Score: A B C **(D)** E

Comments:

In statistical data of total revenue from crude oil to the State budget, the MOF reports only total revenue and not data of each kind of payment.

References:

In Decree No.142/2007/ND-CP (Article 18): PetroVietnam, exploiting entities or Vietnamese contractors are authorized to perform the declaration, direct payment to the state budget upon appraising of following items:

- a) 50% of the petroleum interest of the host country distributed from Vietsopetro Joint stock company;
 - b) 50% of the oil and gas interest of the host country distributed from Production sharing contracts after deducting 1.5% for the Holding company to cover expenses of management, supervision over petroleum contracts;
 - c) Entire receipts from petroleum bonuses (signature bonuses, finding bonuses, production bonuses);
 - d) 30% of the receipts from the fee for the right and use of petroleum materials.
-

2.2A.020.j7: License fees

Score: A B C **(D)** E

Comments:

MOF does not publish disaggregated amounts for each kind of payment, only total revenue.

References:

http://www.mof.gov.vn/portal/page/portal/mof_en

2.2A.020.j8: Acreage fees**Score:** A B C D E**Comments:**

MOF does not publish disaggregated amounts by kind of payment, only total revenue.

References:

http://www.mof.gov.vn/portal/page/portal/mof_en

2.2A.020.j9: Other (Explain in 'comments' box.)**Score:** A B C D E**Comments:**

MOF does not publish disaggregated amounts by type of payment, only total revenue.

References:

http://www.mof.gov.vn/portal/page/portal/mof_en

2.2A Quality of reports

2.2A.021: Are periodical reports containing information on revenue generation published by the Ministry of Finance understandable?**Score:** A B C D E**References:**

http://www.mof.gov.vn/portal/page/portal/mof_vn/1351583/2126549/2115685/2134513/45758823/QT2009?p_folder_id=45758179&p_recurrent_news_id=45914392

2.2A.022: How often are the periodical reports containing information on revenue generation published by the Ministry of Finance?**Score:** A B C D E**Comments:**

Sometimes, there are some problems to download reports because the links are broken. English versions of reports and databases are not updated as often as Vietnamese versions.

References:

http://www.mof.gov.vn/portal/page/portal/mof_en

2.2B.020 Does the Ministry of the extractive sector publish information on revenue generation?

2.2B.020.a: Reserves**Score:** A B C D E

Comments:

According to Decision No.1534/2008/QD-BCA dated September 18th, 2008 of Ministry of Public Security, this information as well as information related to petroleum blocks, projects, contracts, profits is included in the list of issues classified as confidential on the industry and trade sector.

References:

The official website of Ministry of Industry and Trade: <http://www.moit.gov.vn>

2.2B.020.b: Production volumes

Score: (A) B C D E

Comments:

Reporting general activities (including petroleum activity) monthly, quarterly and annually.

References:

<http://tmtm.vecita.gov.vn/?timestamp=1335681943775>

2.2B.020.c: Information on prices

Score: (A) B C D E

Comments:

There are petroleum market newsletters monthly.

References:

There is a link between MOIT and PetroVietnam related to oil prices:

http://www.petrolimex.com.vn/nd/ban-tin/ban_tin_thi_truong_xang_dau_so_3804102011/default.aspx

2.2B.020.d: Value of resource exports

Score: (A) B C D E

Comments:

Published monthly.

References:

<http://tmtm.vecita.gov.vn/dstk.aspx?NewID=221E&CateID=103>

2.2B.020.e: Estimates of investment in exploration and development

Score: (A) B C D E

References:

<http://tmtm.vecita.gov.vn/dstk.aspx?NewID=403E&CateID=98> (Vietnamese only)

In addition, such data is published in Statistical yearbook of Vietnam, as Value of fixed asset and long-term investment of enterprises: In extraction of crude petroleum and natural gas. In 2009 it was 95,001 billion VND (approx. US\$4.6 billion)

2.2B.020.f: Production costs

Score: A B C **(D)** E

References:

Not publish by MOIT.

Only companies listed on the stock market often publish information on revenue-payment in the business operation annually.

For example: operating reports of some petroleum companies under Petrovietnam are published in the State Security Commission of Vietnam:

<http://www.ssc.gov.vn/portal/page/portal/ubck/khoanh/6695155/30772660>

<http://www.ssc.gov.vn/portal/page/portal/ubck/khoanh/6695155/30779277>

Peer Review Comments:

PetroVietnam has this figure

2.2B.020.g: Names of companies operating in country

Score: A B C **(D)** E

References:

Did not find information on MOIT website.

General Statistic Office lists a number of acting enterprises in extraction of crude petroleum and natural gas. (Statistical yearbook of Vietnam - Hard copy)

Also, it is not difficult to search the list of petroleum companies in Vietnam by the system of the general department of taxation.

Peer Review Comments:

PetroVietnam maintains this information

2.2B.020.h: Production data by company and/or block

Score: A B C **(D)** E

Comments:

MOIT published information quarterly as a general industry report (Vietnamese only), but data lacks detail.

References:

Only total production data, not disaggregated by company, project or block.

<http://ttm.vecita.gov.vn/?timestamp=1335944845502> (Vietnamese only)

Peer Review Comments:

PetroVietnam has this figure.

2.2B.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C **(D)** E

References:

No information found on MOIT

2.2B.020.j Does the Ministry of the extractive sector publish information on disaggregated revenue streams?

2.2B.020.j1: Production streams value

Score: A B C D E

Comments:

Information is published quarterly

References:

<http://tttm.vecita.gov.vn/?timestamp=1335944845502> (Vietnamese only)

<http://tttm.vecita.gov.vn/dstk.aspx?NewID=198E&CateID=93> (Vietnamese and English)

2.2B.020.j2: Government s share in PSC

Score: A B C D E

Comments:

According to Decision No.1534/2008/QD-BCA dated September 18th, 2008 of Ministry of Public Security, the state government considers such information as well as that related to petroleum blocks, projects, contracts, profits as part of a list of issues classified as confidential on the industry and trade sector.

References:

Vietnam does not publish information of PSC contracts with detail, but there is some information related to production value of state and international investment (Vietnamese only)
<http://tttm.vecita.gov.vn/dstk.aspx?NewID=86E&CateID=92>

2.2B.020.j3: Royalties

Score: A B C D E

Comments:

Information related to Royalties in Ministry of Finance.

References:

Not published

2.2B.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A B C D E

References:

Information related to Royalties in Ministry of Finance.

2.2B.020.j5: Dividends**Score:** A B C D E**References:**

Only companies listed on the stock market often publish information on revenue-payments in the business operation. The information disclosure is conducted under the provisions of the Securities Exchange Act. For example;

<http://www.ssc.gov.vn/portal/page/portal/ubck/khoanh/6695155/30772660>

<http://www.ssc.gov.vn/portal/page/portal/ubck/khoanh/6695155/30779277>

2.2B.020.j6: Bonuses**Score:** A B C D E**References:**

Information related in Ministry of Finance.

2.2B.020.j7: License fees**Score:** A B C D E**Comments:**

Information related in Ministry of Finance.

References:

Following the responsibilities of each governmental agencies in Petroleum laws
See: Petroleum law 1993, 2000 and 2008

2.2B.020.j8: Acreage fees**Score:** A B C D E**Comments:**

Information related in Ministry of Finance.

References:

Following the responsibilities of each governmental agency in Petroleum sector
See Petroleum law 1993, 2000, 2008

2.2B.020.j9: Other (Explain in 'comments' box.)**Score:** A B C D E**References:**

No other payments.

2.2B Quality of reports

2.2B.021: Are periodical reports containing information on revenue generation published by the Ministry of the extractive sector understandable?

Score: A B C D E

References:

<http://tttm.vecita.gov.vn/Default.aspx?itemid=70> (vietnamese only)

2.2B.022: How often are the periodical reports containing information on revenue generation published by the Ministry of the extractive sector?

Score: A B C D E

References:

<http://tttm.vecita.gov.vn/Default.aspx?itemid=70>

2.2C.020 Does a Regulatory Agency publish information on revenue generation?**2.2C.020.a: Reserves**

Score: A B C D E

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

Peer Review Comments:

Certain reserves information are considered State secrets. Not available to the public.

2.2C.020.b: Production volumes

Score: A B C D E

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

Peer Review Comments:

Not publicly available

2.2C.020.c: Information on prices

Score: A B C D E

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

Peer Review Comments:

Relevant information not published by MOIT.

2.2C.020.d: Value of resource exports

Score: A B C D E

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

Peer Review Comments:

Relevant information not published

2.2C.020.e: Estimates of investment in exploration and development

Score: A B C D E

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

Peer Review Comments:

Not public information. PetroVietnam prepares this estimates and reports to MOIT.

2.2C.020.f: Production costs

Score: A B C D E

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

Peer Review Comments:

Not public information

2.2C.020.g: Names of companies operating in country

Score: A B C D E

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

Peer Review Comments:

MOIT does not publish the list. PetroVietnam maintains a list of such companies.

2.2C.020.h: Production data by company and/or block

Score: A B C D E

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

Peer Review Comments:

MOIT does not publish

2.2C.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C D **E**

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

Peer Review Comments:

No such information published

2.2C.020.j Does a Regulatory Agency publish information on disaggregated revenue streams?

2.2C.020.j1: Production streams value

Score: A B C D **E**

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

Peer Review Comments:

Information not published by MOIT

2.2C.020.j2: Government s share in PSC

Score: A B C D **E**

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

Peer Review Comments:

Information not published by MOIT

2.2C.020.j3: Royalties

Score: A B C D **E**

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

Peer Review Comments:

Information not published by MOIT

2.2C.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A B C D **(E)**

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

Peer Review Comments:

Information not published by MOIT

2.2C.020.j5: Dividends

Score: A B C D **(E)**

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

Peer Review Comments:

Information not published by MOIT

2.2C.020.j6: Bonuses

Score: A B C D **(E)**

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

Peer Review Comments:

Information not published by MOIT

2.2C.020.j7: License fees

Score: A B C D **(E)**

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

Peer Review Comments:

Information not published by MOIT

2.2C.020.j8: Acreage fees

Score: A B C D **(E)**

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

Peer Review Comments:

Information not published by MOIT

2.2C.020.j9: Other (Explain in 'comments' box.)

Score: A B C D E

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

2.2C Quality of reports

2.2C.021: Are periodical reports containing information on revenue generation published by the Regulatory Agency understandable?

Score: A B C D E

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

Peer Review Comments:

Information not published by MOIT

2.2C.022: How often are the periodical reports containing information on revenue generation published by the Regulatory Agency?

Score: A B C D E

References:

The Ministry of Industry and Trade has the role and authority of a regulator in Vietnam. See related section.

Peer Review Comments:

Information not published by MOIT

2.2D.020 Does the Central Bank publish information on revenue generation?

2.2D.020.a: Reserves

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

Peer Review Comments:

Information not published by SBV (State Bank of Vietnam)

2.2D.020.b: Production volumes

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

Peer Review Comments:

Information not published by SBV (State Bank of Vietnam)

2.2D.020.c: Information on prices

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

Peer Review Comments:

Information not published by SBV (State Bank of Vietnam)

2.2D.020.d: Value of resource exports

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

Peer Review Comments:

Information not published by SBV (State Bank of Vietnam)

2.2D.020.e: Estimates of investment in exploration and development

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

Peer Review Comments:

Information not published by SBV (State Bank of Vietnam)

2.2D.020.f: Production costs

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

Peer Review Comments:

Information not published by SBV (State Bank of Vietnam)

2.2D.020.g: Names of companies operating in country

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

Peer Review Comments:

Information not published by SBV (State Bank of Vietnam)

2.2D.020.h: Production data by company and/or block

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

Peer Review Comments:

Information not published by SBV (State Bank of Vietnam)

2.2D.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

Peer Review Comments:

Information not published by SBV (State Bank of Vietnam)

2.2D.020.j Does the Central Bank publish information on disaggregated revenue streams?

2.2D.020.j1: Production streams value

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

Peer Review Comments:

Information not published by SBV (State Bank of Vietnam)

2.2D.020.j2: Government s share in PSC

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

Peer Review Comments:

Information not published by SBV (State Bank of Vietnam)

2.2D.020.j3: Royalties

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

Peer Review Comments:

Information not published by SBV (State Bank of Vietnam)

2.2D.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

Peer Review Comments:

Information not published by SBV (State Bank of Vietnam)

2.2D.020.j5: Dividends

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

Peer Review Comments:

Information not published by SBV (State Bank of Vietnam)

2.2D.020.j6: Bonuses

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

Peer Review Comments:

Information not published by SBV (State Bank of Vietnam)

2.2D.020.j7: License fees

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

Peer Review Comments:

Information not published by SBV (State Bank of Vietnam)

2.2D.020.j8: Acreage fees

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

Peer Review Comments:

Information not published by SBV (State Bank of Vietnam)

2.2D.020.j9: Other (Explain in 'comments' box.)

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

2.2D Quality of reports

2.2D.021: Are periodical reports containing information on revenue generation published by the Central Bank understandable?

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

Peer Review Comments:

Information not published by SBV (State Bank of Vietnam)

2.2D.022: How often are the periodical reports containing information on revenue generation published by the Central Bank?

Score: A B C D E

References:

In the Petroleum Law and policy system, the Central bank has no role or authority regarding the petroleum sector.

Peer Review Comments:

Information not published by SBV (State Bank of Vietnam)

2.2E.020 Does any other government agency or entity publish information on revenue generation?

2.2E.020.a: Reserves

Score: A B C D E

Comments:

Some petroleum information is published by the General Statistic Office, Ministry of Planning and Investment but nothing on reserves.

References:

http://www.gso.gov.vn/default_en.aspx?tabid=491

2.2E.020.b: Production volumes

Score: A B C D E

References:

Only MOIT and MOF have role and authority in petroleum sector, the Statistical Agency does not publish that type of information.

2.2E.020.c: Information on prices

Score: A B C D E

References:

Published by MOIT.

2.2E.020.d: Value of resource exports

Score: A B C D E

References:

Published by MOIT.

2.2E.020.e: Estimates of investment in exploration and developmentScore: A B C D E**Comments:**

The investment amount of petroleum is put together with other mineral sectors.

References:

Published in the Statistical yearbook of Vietnam, investment by economic activity, 2009 (Hard copy only)

2.2E.020.f: Production costsScore: A B C D E**References:**

Only MOIT and MOF have role and authority in petroleum sector.

2.2E.020.g: Names of companies operating in countryScore: A B C D E**References:**

GSO statistics only record number of petroleum enterprises. At the end of 2009, there are 8 petroleum enterprises active in Vietnam (GSO, 2010)

2.2E.020.h: Production data by company and/or blockScore: A B C D E**References:**

This is responsibility of MOIT and PetroVietnam.

2.2E.020.i: Cost of subsidies or social investments paid by mineral revenueScore: A B C D E**References:**

Only MOIT and MOF have role and authority in petroleum sector.

2.2E.020.j Does any other government agency or entity publish information on disaggregated revenue streams?

2.2E.020.j1: Production streams valueScore: A B C D E**References:**

Information is published by MOIT.

2.2E.020.j2: Government s share in PSC

Score: A B C D E

References:

Should be publish by MOIT and PetroVietnam, not GSO

2.2E.020.j3: Royalties

Score: A B C D E

References:

GSO;

http://www.gso.gov.vn/default_en.aspx?tabid=468&idmid=3&ItemID=12105

2.2E.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A B C D E

References:

Only MOIT and MOF have role and authority in petroleum sector.

2.2E.020.j5: Dividends

Score: A B C D E

References:

Only MOIT and MOF have role and authority in petroleum sector.

2.2E.020.j6: Bonuses

Score: A B C D E

References:

Only MOIT and MOF have role and authority in petroleum sector.

2.2E.020.j7: License fees

Score: A B C D E

References:

Only MOIT and MOF have role and authority in petroleum sector.

2.2E.020.j8: Acreage fees

Score: A B C D E

References:

Only MOIT and MOF have role and authority in petroleum sector.

2.2E.020.j9: Other (Explain in 'comments' box.)

Score: A B C D E

References:

no other payment in Vietnam petroleum system.

2.2E Quality of reports

2.2E.021: Are periodical reports containing information on revenue generation published by any other government agency or entity understandable?

Score: A B C D E

Comments:

Information related to petroleum sector published by GSO: structure in GDP, national account, investment, gross input of industry, central state industrial gross output, main industrial products.

References:

Statistic yearbook published annually (hard copy has more information than website):
http://www.gso.gov.vn/default_en.aspx?tabid=468&idmid=3&ItemID=12105

2.2E.022: How often are the periodical reports containing information on revenue generation published by the any other governmental agency or entity?

Score: A B C D E

References:

Statistical Yearbook of Vietnam 2010.

2.2 Public sector balance

2.2.023: Does the government include the SOC financial balance (its assets and liabilities) within the public sector balance or overall balance of general government in reports to the legislature?

Score: A B C D E

References:

Ministry of Finance: http://www.mof.gov.vn/portal/page/portal/mof_en

2.2.024: Does the government include projections of transactions, accounts of actual spending by the natural resource funds, and their assets and liabilities, within the public sector balance or overall balance of general government in reports to the legislature?

Score: A B C D **E**

References:

There is no Fund created to concentrate revenue from oil, gas or mineral extraction.

2.2.025: Does the government provide information on the non resource fiscal balance in its budget proposal?

Score: **A** B C

References:

http://www.mof.gov.vn/portal/page/portal/mof_en/sbd?p_pers_id=2421305&p_recurrent_news_id=60525442


http://www.mof.gov.vn/portal/page/portal/mof_en/State_Budget/dosb/ds

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Legal Framework and Practices

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Indicator	Score
2.3 Legal Framework and Practices	57 

2.3 Legal Framework and Practices

2.3.026: In the legal framework, what government agencies have authority to collect taxes and payments from resource companies?

Score: A B C D E

References:

Regarding oil and gas payments:

1. Circular No. 32/2009/TT-BTC of February 19, 2009 by Ministry of Finance, guiding the implementation of tax provisions applicable to organizations and individuals conducting petroleum prospecting, exploration and exploitation activities under the Petroleum Law.

Article 4. Places of tax registration, declaration and payment: (i) Places of tax registration, declaration and payment (excluding import duty and export duty) are provincial-level Tax Departments of localities where taxpayers' principal executive offices are located; (ii) For petroleum contracts under which exploitation activities have been carried out before the effective date of this Circular, the places of tax registration, declaration and payment comply with the guidance provided before the effective date of this Circular.

2. Circular 56/2008/TT-BTC of the Ministry of Finance - guiding the enumeration, payment and settlement of the revenues of the State provided for in Article 18 of the Regulation on financial management of Vietnam Oil and Gas Group (PetroVietnam), issued together with Decree dated 05/9/2007 of the Government No.142/2007/ND-CP (not available in English)

Source; <http://www.customs.gov.vn/English/Lists/Documents/ViewDetails.aspx?List=889a92fd-e7a0-4c8e-b800-80ff1158ebaf&ID=1072>

2.3.027: Are all resource related revenues, including those collected by state owned companies, regulatory agencies, ministries, special funds or by the tax authority placed in the national treasury?

Score: A B C D E

References:

The National treasury is under the Ministry of Finance.

http://www.mof.gov.vn/portal/page/portal/mof_en/Introduction/OrganizationStructure

http://www.mof.gov.vn/portal/page/portal/mof_en/Introduction/tp

Peer Review Comments:

It does not appear that all resource revenues are identified and deposited to the national treasury. Article 18.3 of Decree 142/2007/ND-CP guiding the revenues of the State show that not all revenues are deposited to national treasury, a part of such revenues could be left to parent company for investment and be reflected revenues and expenditures through the state budget.

2.3.028: Are government officials with a role in the oversight of the oil, gas or mining sector required to disclose information about their financial interest in any extractive activity or projects?

Score: A B C

References:

The Petroleum Law 1993, 2000 and 2008: articles 38

Peer Review Comments:

Article 38 does not state that Government officials with a role in the oversight of oil, gas or mining sector are required to disclose information about their participation in extractive activities or projects. There are general regulations on government officials disclosing their assets (of every type) within their office area (not to the public) but enforcement has been weak.

2.3.029: Is there independent external validation of internal controls of agencies in charge of receiving payments from resource companies with the objective of providing assurances of integrity of public funds and sound financial management?

Score: A B C D E

References:

The state audit

http://www.asosai.org/news/news_member_detail.jsp?idx=121

<http://vovworld.vn/en-US/News/State-Audit-Law-helps-improve-financial-transparency/71078.vov>

The State Audit Law 2011

DECREE ON THE PUBLICATION OF AUDITING RESULTS AND OUTCOMES OF REALIZATION OF AUDIT CONCLUSIONS AND PROPOSALS OF THE STATE AUDITs

<http://lawfirm.vn/?a=doc&id=1900>

Peer Review Comments:

Audit is not regular and shall be conducted only in special circumstances.

2.3.030: Does the national audit office (or similar independent organization) report regularly to the legislature on its findings, including an objective analysis of agencies in charge of managing resource revenues, and are these reports published?

Score: A B C D E

References:

DECREE ON THE PUBLICATION OF AUDITING RESULTS AND OUTCOMES OF REALIZATION OF AUDITING CONCLUSIONS AND PROPOSALS OF THE STATE AUDIT

<http://lawfirm.vn/?a=doc&id=1900>

For example: <http://english.vietnamnet.vn/en/business/18686/state-owned-groups-absent-from-auditing-list-2012.html>

<http://www.saigon-gpdaily.com.vn/Business/2012/2/99702/>

2.3.031: Does a Parliamentary committee scrutinize reports on resource related revenues and, if so, when does this occur?

Score: (A) B C D E

Comments:

Parliament – Vietnam National Assembly is an elected representative body. According to petroleum laws and policies, the Assembly does not have a direct role in managing and monitoring oil and gas sector. Nevertheless, the Assembly is informed of developments in the sector through the regular auditing process of relevant ministries and state-owned corporation; or through reports of related ministries at Annual National Assembly meetings.

Inspection of Petroleum Operations: According Petroleum Law 1993 and its amendment 2000 and 2008, Ministry of Industry and Trade establishes and organizes the implementation of the inspection function regarding Petroleum Operations. The purpose of inspection is to ensure compliance with the provisions of Petroleum Law and regulations, technical procedures, specifications and rules; to conserve Petroleum resources; to protect the environment, enforce safety rules, and the fulfillment of obligations to the State of Vietnam by organizations and individuals conducting of Petroleum Operation. In addition, in regard to fiscal revenue aspect, Ministry of Finance establishes and organizes the implementation of petroleum taxes, fees and other revenue systems. These activities are also conformed to regulations of Inspection Law 2010.

References:

There are two National Assembly meeting per year. Usually report will be submitted at the second meeting of the year.

2.3.032: Is this country an EITI candidate or compliant country?

Score: A B C (D) E

References:

Research: The Extractive Industries Transparency Initiative and the Implementation Perspective of Vietnam, CODE, 2011.

https://mail-attachment.googleusercontent.com/attachment/u/0/?ui=2&ik=75e6021aa0&view=att&th=136a9bddb338822a&attid=0.1&disp=inline&safe=1&zw&saduie=AG9B_P_Lmiim0LUedpFjZHsRe6wr&sadet=1336099051891&sads=8rwbBILCY2XtO8NIswWx01jstC8&sads=1

Peer Review Comments:

Up to now, Vietnam is not an EITI candidate or compliant country. <http://eiti.org/countries>

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Indicator	Score
3.1.1	Context 56 

3.1.1 Context

3.1.1.033: Is there a state-owned company? If so, what is its role in the extractive sector?

Score: A B C D E

References:

Petroleum law 1993, 2000 and 2008 .

Articles 14 (Petroleum law 1993) : "The Vietnam Oil and Gas Corporation (known in its international dealing as PetroVietnam) is a State owned business enterprise founded by the Government of Vietnam to conduct Petroleum Operations and enter into Petroleum Contracts with organizations, individuals for the conduct of Petroleum Operation in accordance with the Law.

Articles 14 (Petroleum 2008): Vietnam oil and gas corporation is the international transaction name of Tap doan Dau khi Viet Nam - Cong ty me, referred to as Petro Vietnam and abbreviated to PVN.

Vietnam oil and gas group is a state company which may carry out oil and gas activities and conclude oil and gas contracts with organizations and individuals carrying out oil and gas activities according to law.

3.1.1.034: How is government ownership of resource companies structured in this country?

Score: A B C D E

References:

http://english.pvn.vn/?portal=news&page=detail&category_id=8&id=1056

Peer Review Comments:

Government owns 100% PVN. PVN has various affiliates but it retains 100% ownership in the oil and gas extractive part (PVEP - PetroVietnam Exploration and Development Corporation)

3.1.1.035: Is there more than one state-owned company (SOC) operating in the extractive sector?

Score: A B C

References:

http://english.pvn.vn/?portal=news&page=detail&category_id=8&id=1056

See Petroleum Law 1993, 2000 and 2008

3.1.1.036: Do the roles and responsibilities of the SOC include provision of subsidies or social expenditures (quasi-fiscal activities)?

Score: A (B) C






References:

http://english.pvn.vn/?portal=news&page=detail&category_id=50&id=1051

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Indicator		Score
3.2.1	Comprehensive reports	33 
3.2.2.038	<u>Does the SOC publish information on revenue generation?</u>	33 
3.2.3.038.j	Disaggregated Revenue Streams	4 
3.2.4	Quality of reports	33 
3.2.5.043	Audited reports	34 

3.2.1 Comprehensive reports

3.2.1.037: Does the SOC publish comprehensive reports with information about its operations and subsidiaries?

Score: A B **C** D E

Comments:

1) There are 15 companies inside of Vietnam Oil and gas corporation. And each corporation publishes annual reports and financial reports by themselves.

The level of disclosure is different company by company. For example: when Vietnam oil and gas group owns 100% capital in the company, they don't join stock exchange market and do not publish any reports. But when Vietnam oil and gas group owns only 50% capital in companies, and they enter stock exchange market, they publish annual reports and financial reports as required by Vietnam stock exchange market.

2) Website of Vietnam exploration production corporation: <http://www.pvep.com.vn/Default.aspx>. There is some information about petroleum contracts: location, areas, kind of contracts, government's share in PSC, but does not comprise all operations in Vietnam. Available at: <http://www.pvep.com.vn/Default.aspx?pageid=126&action=view&flash=vietnam>

References:

http://english.pvn.vn/?portal=news&page=detail&category_id=104&id=3647
<http://www.pvep.com.vn/Default.aspx>
<http://www.pvep.com.vn/Default.aspx?pageid=126&action=view&flash=vietnam>

Only few companies listed on the stock market are likely to disclose all related information and capable of accounting.

<http://www.ssc.gov.vn/portal/page/portal/ubck/khoanh/6695155/30779277>
<http://www.ssc.gov.vn/portal/page/portal/ubck/khoanh/6695155/30772660>

3.2.2.038 Does the SOC publish information on revenue generation?

3.2.2.038.a: Reserves

Score: A B C D E

References:

<http://www.pvep.com.vn/Default.aspx?pageid=126&action=view&flash=vietnam>

PetroVietnam also published one publication about history of petroleum sector

http://www.pvn.vn/?portal=news&page=file_list (vietnamese only)

3.2.2.038.b: Production volumes

Score: A B C D E

References:

http://english.pvn.vn/?portal=news&page=detail&category_id=104&id=3647 (updated to 2009)

Also have in General Statistic System: http://www.gso.gov.vn/default_en.aspx?tabid=470&idmid=3&ItemID=11965 (annually)

Peer Review Comments:

Some of PVN affiliates are public/listed companies but those are service providers for the extractive industry, not of the core extractive (E&P) activities.

3.2.2.038.c: Information on prices

Score: A B C D E

References:

<http://www.pvep.com.vn/Default.aspx?pageid=126&action=view&flash=vietnam>

Peer Review Comments:

Such reports are not always available publicly.

3.2.2.038.d: Value of resource exports

Score: A B C D E

References:

See previous question.

PVN website: <http://www.pvn.vn/>

Peer Review Comments:

Such reports are not always publicly available

3.2.2.038.e: Estimates of investment in exploration and development

Score: A B C D E

References:

http://english.pvn.vn/?portal=news&page=detail&category_id=38&id=1036

3.2.2.038.f: Production costs**Score:** A B C **(D)** E**References:**

Researcher didn't find related information.

Peer Review Comments:

From time to time, this information may appear in PetroVietnam internal reports, but they are not public documents.

3.2.2.038.g: Names of companies operating in country**Score:** A B **(C)** D E**References:**

http://english.pvn.vn/?portal=news&page=detail&category_id=74&id=3292

Information by contract in website of Vietnam petroleum exploitation and production corporation, for example:

<http://www.pvep.com.vn/Default.aspx?pageid=126&action=view&flash=besonghong&pid=2#search>

3.2.2.038.h: Production data by company and/or block**Score:** A B C **(D)** E**References:**

Researcher did not find information.

According to Decision No.1534/2008/QD-BCA dated September 18th, 2008 of Ministry of Public Security, such information related to petroleum blocks, projects, contracts, profits is considered classified as confidential on the industry and trade sector.

3.2.2.038.i: Quasi fiscal activities**Score:** A **(B)** C D E**References:**

http://english.pvn.vn/?portal=news&page=detail&category_id=102&id=3291

3.2.3.038.j Disaggregated Revenue Streams**3.2.3.038.j1: Production streams value****Score:** A B C **(D)** E**References:**

www.pvn.vn: brief articles about production stream value

http://www.pvn.vn/?portal=news&page=detail&category_id=104&id=3391

3.2.3.038.j2: Government's share in PSC**Score:** A B C D E**References:**

Website of Vietnam exploration production corporation: <http://www.pvep.com.vn/Default.aspx>.
Some information about petroleum contracts, including: location, areas, kind of contracts, government's share in PSC, but not comprehensive. Available at:
<http://www.pvep.com.vn/Default.aspx?pageid=126&action=view&flash=vietnam>

3.2.3.038.j3: Royalties**Score:** A B C D E**References:**

Published in GSOs: http://www.gso.gov.vn/default_en.aspx?tabid=468&idmid=3&ItemID=12104 and MOF website

3.2.3.038.j4: Special taxes**Score:** A B C D E**References:**

Publish by MOF

3.2.3.038.j5: Dividends**Score:** A B C D E**References:**

Only few companies listed on the stock market are likely to disclose all related information and accounting, for example:
<http://www.ssc.gov.vn/portal/page/portal/ubck/khoanh/6695155/30779277>

3.2.3.038.j6: Bonuses**Score:** A B C D E**References:**

PetroVietnam, exploiting entities or Vietnamese contractors are required to perform the declaration and direct payment to the state budget of the following items:

- a) 50% of the petroleum interest of the host country is distributed from Vietsopetro Joint stock company;
 - b) 50% of the oil and gas interest of the host country distributed from Product Sharing contracts after having deducted 1.5% for the holding company to cover expenses of management, supervision over petroleum contracts;
 - c) Entire receipts from petroleum commissions of all types (signature commission, finding commission, production commission);
 - d) 30% of the receipts from the fee for the right and use of petroleum materials (Decree No. 142/2007/ND-CP)
-

3.2.3.038.j7: License fees

Score: A B C D E

References:

MOF have responsibilities to publish

3.2.3.038.j8: Acreage fees

Score: A B C D E

References:

MOF have responsibilities to publish

3.2.3.038.j9: Other (Describe below)

Score: A B C D E

References:

No other payments from oil and gas sector.

3.2.4 Quality of reports

3.2.4.039: Are the reports published by the state owned company understandable?

Score: A B C D E

References:

Published as short press releases or articles in website:
<http://english.pvn.vn/>

3.2.4.040: How often are the reports or statistical databases containing information on revenue generation published by the state owned company?

Score: A B C D E

References:

These information is published by other agencies

3.2.4.041: If the SOC is involved with quasi fiscal activities, does it publish information about them?

Score: A B C

References:

http://english.pvn.vn/?portal=news&page=detail&category_id=50&id=1051
http://english.pvn.vn/?portal=news&page=detail&category_id=102&id=3291

Peer Review Comments:

No information is publicly available

3.2.4.042: If there are joint ventures, does the SOC (or government) publish information on its share of costs and revenues deriving from its equity participation in joint ventures?

Score: A B C

References:

Published but not systematically:

<http://www.pvep.com.vn/Default.aspx?pageid=126&action=view&flash=besonghong&pid=2#search>

3.2.5.043 Audited reports

3.2.5.043.a: Is the SOC subject to annual audits conducted by an independent external auditor to ensure that the financial statements represent the financial position and performance of the company?

Score: A B C D E

References:

<http://www.saigon-gpdaily.com.vn/Business/2012/2/99702/>

http://www.pvn.vn/?portal=news&page=detail&category_id=99&id=2514

http://www.pvn.vn/?portal=news&page=detail&category_id=95&id=3103

Peer Review Comments:

Article 37.2 of Law on Independent Auditing No. 67-2011-QH12, SOC must be audited by an independent external auditor to ensure that the financial statements represent the correct financial position and performance of the company, but in practice, enforcement has been weak.

3.2.5.043.b: Are SOC audited reports published?

Score: A B C D E

Comments:

Last year (2011), the State Audit Office carried out audit process for Petroleum. There was a conference to present and release key finding of the audit process.


References:

No report is published by SOC

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Indicator	Score
3.3.1 Legal Framework and Practice	67 

3.3.1 Legal Framework and Practice

3.3.1.044: Does the SOC have a legal obligation to publish financial reports?

Score: A B C

References:

Review in Petroleum law 1993, 2000 and 2008

Peer Review Comments:

SOCs have a legal obligation to publish financial reports as provided in Circular No.29/2005/TT-BTC guiding the Regulation on financial publishing of State-owned enterprises. Especially in petroleum sector, PVN is obliged to publish financial reports under their Charter which was approved by Prime Minister according to Decision No.190/QD-TTg.

3.3.1.045: Does the SOC follow internationally recognized accounting standards?

Score: A B C

References:

Auditing by the state audit process, which follows Law on the state auditing.

3.3.1.046: Do SOC audits include consolidated accounts that cover all of the SOC subsidiaries?

Score: A B C

References:

Reports cover only those subsidiaries which have mixed ownership and have operations in stock market.

Peer Review Comments:

By accounting standard, PetroVietnam reports should cover all its affiliates. However, such reports are not public documents.

3.3.1.047: Are officials of the SOC required to disclose information about their financial interest in any oil, gas or mining projects?

Score: A B C

References:

In addition, according to Decision No.1534/2008/QD-BCA dated September 18th, 2008 of Ministry of

Public Security, it is the decision of the government to classify information related to petroleum blocks, projects, contracts, profits as confidential.

Peer Review Comments:

Key officials of SOC are required to disclose their assets (regardless of whether such assets are related to oil and gas or not). Enforcement has been weak in this regard.

3.3.1.048: Does the SOC publish information on the composition of its Board of Directors?

Score: A B C

References:

http://english.pvn.vn/?portal=news&page=detail&category_id=86&id=3281

3.3.1.049: Does the SOC publish information about the rules governing decision making by the Board of Directors?

Score: A B C

References:

http://english.pvn.vn/?portal=news&page=detail&category_id=8&id=1056

Peer Review Comments:

Decision making of the Board of Directors of PVN is regulated under PVN Corporate Charter. Such Charter is not a public document but it shall have to follow the Enterprise Law and other legal documents governing operations of PVN.

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