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| **THE GOVERNMENT--------** | **SOCIALIST REPUBLIC OF VIETNAMIndependence - Freedom - Happiness---------------** |
| No. 98/2013/ND-CP | *Hanoi, August 28, 2013* |

**DECREE**

**PROVIDING FOR THE SANCTIONING OF ADMINISTRATIVE VIOLATIONS IN DOMAINS OF INSURANCE BUSINESS AND LOTTERY BUSINESS**

*Pursuant to the Law on Government organization dated December 25, 2001;*

*Pursuant to the Law on Handling administrative violations dated June 20, 2012;*

*Pursuant to the Law on Insurance Business dated December 09, 2000 and the Law on amendments to the Law on Insurance Business dated November 24, 2010;*

*At the request of the Minister of Finance;*

*The Government issues a Decree on providing for the sanctioning of administrative violations in domains of insurance business and lottery business,*

**Chapter 1.**

**GENERAL PROVISIONS**

**Article 1. Scope of regulation**

1. This Decree provides for the administrative violations, sanctioning forms and levels, remedial measures, sanctioning competence and specific sanctioning levels according to each title in domains of insurance business and lottery business.

2. Other administrative violations in other legal documents related to domains of insurance business and lottery business shall be administratively sanctioned under such legal documents

**Article 2. Subjects of application**

1. Vietnamese, foreign organizations and individuals that commit administrative violations in domains of insurance business and lottery business specified in this Decree.

2. The persons competent to sanction administrative violations specified in this Decree.

**Article 3. Forms of penalties**

1. The primary forms of penalties in domains of insurance business and lottery business include:

a) Warnings;

b) Fines.

The maximum fine for individuals committing administrative violations in domains of insurance business and lottery business shall be VND 100.000,000, for organizations the maximum fine shall be VND 200,000,000.

The fines for the administrative violations specified in this Decree are sanctioning levels for individuals, except for the cases in Article 13, Clause 4 Article 18, Article 21, Article 22, Clause 3 and Clause 4 Article 24, Article 34, Clause 1, Clause 2 and Clause 3 Article 36, Clause 2 Article 40, Clause 2 Article 41, Article 42, Article 43, Article 44, Article 45, Clause 3 Article 46, Article 48, Article 49, Article 50, and Clause 2 Article 51 of this Decree, in which the fines are only applied to organizations.

The fines imposed on organizations is twice as much as the fines imposed on individuals for the same violation

2. Additional penalties in domains of insurance business and lottery business:

a) For insurance business:

Deprivation of the right to use Certificate of insurance agent with a defined term;

Suspension of operation with a defined term, for a part of content or scope, directly related to violation, in license for establishment and operation of the insurers, reinsurers, insurance brokers, and branches of foreign non-life insurers.

Suspension of operation of the insurance agent within a defined term;

Confiscating the exhibits and vehicles used for committing administrative violations.

b) For lottery business:

Deprivation of the right to use Certificate of eligibility for lottery business within a defined term

Confiscating the exhibits and vehicles used for committing administrative violations.

**Article 4. Remedial measures**

In addition to the sanctions specified in Article 3 of this Decree, depending on the nature and severity of the violations, the organizations and individuals may also be compelled to take one or more of the following remedies:

1. Remedial measures in insurance business:

a) Compulsory restoration of the original state;

b) Compulsory rectification of false or confusing information;

c) Compulsory return of illegal profit earned from committing violations;

d) Compulsory destruction of forged documents;

dd) Compulsory dismissal of the positions designated by the insurer, reinsurer, insurance broker, or branch of foreign non-life insurer;

e) Compulsory dismissal of the managers, executives, and actuaries accredited by the Ministry of Finance; compulsory suspension of agent training; compulsory cancellation of agent training results.

2. Remedial measures in lottery business:

a) Compulsorily conducting business properly with kinds of lottery products as prescribed by law

b) Compulsorily conducting lottery business in the designated geographical area

c) Compulsory annulment and rectification of the prize-winning results which are falsified and not true to certification minutes of the Lottery Supervision Councils;

d) Compulsory supplementation and rectification of data which are incompletely or inaccurately reported;

dd) Compulsory destruction of the modified, erased, falsified or forged documents, the equipment used for prize drawing which not satisfy requirements of management as prescribed by law;

e) Compulsory return of illegal profit earned from committing administrative violations.

**Chapter 2.**

**PENALTIES FOR ADMINISTRATIVE VIOLATIONS IN LOTTERY BUSINESS**

**SECTION 1.**

**ADMINISTRATIVE VIOLATIONS, PENTALTIES, AND REMEDIAL MEASURES PERTAINING TO ESTABLISHMENT AND OPERATION**

**Article 5. Penalties for violations against regulations on the licensed dossiers**

1. A fine of between VND 20,000,000 and 30,000,000, for any of following violations:

a) Modifying, falsifying or forging the documents in dossiers already granted the license for establishment and operation;

b) Modifying, falsifying or forging the documents in dossiers already granted the license for establishment of branches.

2. Additional penalties:

Suspension of operation for 02 - 03 months, for a part of content and scope directly related to administrative violations, in license of establishment and operation, for violations specified in Clause 1 of this Article

3. Remedial measures:

a) Compulsory destruction of the falsified or forged documents;

b) Compulsory dismissal of the managers, executives accredited by the Ministry of Finance.

**Article 6. Penalties for violations against regulations on dossiers to establish representative offices of foreign insurers, reinsurers, insurance brokers in Vietnam**

1. A fine of between VND 20,000,000 and 30,000,000 shall be imposed for modifying, falsifying or forging documents for dossiers already licensed for establishment of representative offices.

2. Remedial measures:

Compulsory destruction of the falsified or forged documents.

**Article 7. Penalties for violations against regulations on the license for establishment and operation and the license to establish representative office**

1. A warning shall be imposed for any of following violations:

a) Failing to have the mandatory information posted in 03 consecutive issues of a daily central newspaper and local newspaper of the province where the head office of the insurer, reinsurer, insurance broker, or branch of the foreign non-life insurer is situated;

b) Announcing at variance with time limit about one of contents in the license for establishment and operation as prescribed by law;

c) Failing to announce the contents in the license to establish representative office as prescribed by law.

2. A fine of between VND 20,000,000 and 30,000,000 shall be imposed for any of following violations:

a) Failing to announce or making false announcement of any of contents of operation and change already approved by the Ministry of Finance as prescribed by law;

b) Establishing or shutting down branches or representative office without the written approval of the Ministry of Finance as prescribed by law;

c) Modifying the license for establishment and operation and the license to establish representative office.

3. A fine of between VND 40,000,000 and 50,000,000 shall be imposed for changing charter capital, provided capital, the operational content, scope and duration without written approval of the Ministry of Finance.

4. A fine of between VND 80,000,000 and 100,000,000 shall be imposed for any of following violations:

a) Trading in insurance, reinsurance, or insurance brokerage without the license for establishment and operation;

b) Conducting operation or business after the license for establishment and operation is suspended;

c) Conducting operation after the license for establishment and operation or license to establish representative office expires.

5. Remedial measures:

a) Compulsory rectification of false information that causes confusion, applicable to the violations in Point a Clause 2 of this Article;

b) Compulsory restoration of the original state, applicable to the violations in Clause 3 of this Article;

c) Compulsory return of illegal profit earned from the commission of administrative violation in cases specified in Clause 3 and Clause 4 of this Article.

**Article 8. Penalties for administrative violations against the regulations on division, split, consolidation, merger, acquisition, transform, and dissolution of enterprises**

1. A fine of between VND 50,000,000 and 60,000,000 shall be imposed for dissolving the insurer, reinsurer, insurance broker, branch of the foreign non-life insurer not in accordance with law

2. A fine of between VND 60,000,000 and 70,000,000 shall be imposed for dividing, splitting, consolidating, merging, transforming the insurer, reinsurer, insurance broker, branch of the foreign non-life insurer not in accordance with law.

3. Additional penalties:

Suspension of operation for 02 - 03 months, for a part of content and scope directly related to administrative violations, in license of establishment and operation, for violations specified in Clause 2 of this Article

4. Remedial measures:

a) Compulsory restoration of the original state, applicable to the violations in Clause 1 and Clause 2 of this Article;

b) Compulsory return of illegal profit earned from the commission of administrative violation in cases specified in Clause 2 of this Article.

**SECTION 2.**

**ADMINISTRATIVE VIOLATIONS, PENALTIES, AND REMEDIAL MEASURES PERTAINING TO ADMINISTRATION**

**Article 9. Penalties for violations against regulations on administration and control**

1. A warning shall be imposed for failing to report to the Ministry of Finance within 30 days from the day of the official designation of the Deputy General Director (Deputy Director), branch manager, representative office manager, chief of the Control Board, members of the Board of Directors, the Member assembly, heads of departments of product research and development, exploiting, valuation, indemnity, reinsurance, investment, internal inspection and control.

2. A fine of between VND 20,000,000 and 30,000,000 shall be imposed for any of following violations:

a) Designating the General Director (Director), Deputy General Director (Deputy Director) of the insurer, reinsurer, insurance broker, or branch of foreign non-life insurer who simultaneously works for another insurer, reinsurer, insurance broker, or branch of foreign non-life insurer that engages in the same field in Vietnam;

b) Designating the General Director (Director), Deputy General Director (Deputy Director) of the insurer, reinsurer, insurance broker, or branch of foreign non-life insurer as a member of the Board of Directors or the Member assembly of another insurer, reinsurer, insurance broker, or branch of foreign non-life insurer that engages in the same field in Vietnam;

c) Designating a member of the Board of Directors or the Member assembly of an insurer, reinsurer, insurance broker, or branch of foreign non-life insurer as a member of the Board of Directors or the Member assembly of another enterprise that engages in the same field in Vietnam;

d) Designating the General Director (Director), Deputy General Director (Deputy Director) of the insurer, reinsurer, insurance broker, or branch of foreign non-life insurer concurrently as the manager of more than one (01) branch or representative office of such insurer, reinsurer, insurance broker, or branch of foreign non-life insurer, or as a manager of one of the professional departments: product research and development, exploitation, valuation, indemnity, reinsurance, investment, internal inspection and control of the branch.

3. A fine of between VND 40,000,000 and 50,000,000 shall be imposed for any of violations:

a) Designating Deputy General Director (Deputy Director), actuary, branch manager, representative office manager, chief of the Control Board, chief of departments of product research and development, exploitation, valuation, indemnity, reinsurance, investment, internal inspection and control, members of the Board of Directors or the Member assembly who fail to meet standards as prescribed by law.

b) Failing to establish the procedures for internal inspection, internal control, and other procedure as prescribed by law;

c) Procedures for internal inspection and control fail to meet the requirements set out by law.

4. One of the following acts shall carry a fine of form 60,000,000 VND to 70,000,000 VND:

a) Designating an unqualified person as the President of the Board of Directors (the President of the Member assembly, the company’s president), General Director (Director);

b) Failing to appoint the President of the Board of Directors (the President of the Member assembly, the company’s president), General Director (Director) as prescribed by law;

c) Replacing the President of the Board of Directors (the President of the Member assembly, the company’s president), General Director (Director) without written approval of the Ministry of Finance.

5. Additional penalties:

Suspension of operation for 02 - 03 months, for a part of content and scope directly related to administrative violations, in license of establishment and operation, for violations specified in Clause 4 of this Article

6. Remedial measures:

b) Compulsory restoration of the original state, applicable to the violations in Clause 2, Point a Clause 3, Point a, and Point c Clause 4 of this Article;

b) Compulsory dismissal of the administrators and executive officers accredited by the Ministry of Finance, applicable to the violations in Clause 2 of this Article;

c) Compulsory suspension of the positions designated by the insurer, reinsurer, insurance brokerage enterprise, or branch of foreign non-life insurer, applicable to the violations in Clause 2 and Point a Clause 3 of this Article.

**Article 10. Penalties for violations against regulations on actuaries (Appointed Actuary), and actuaries in charge of professional reserve and solvency**

1. A warning shall be imposed for changing actuary or actuary in charge of professional reserve and solvency without compliance with laws.

2. A fine of between VND 30,000,000 and 40,000,000 shall be imposed on actuary of a life insurer who fails to comply with law in conducting one of following tasks:

a) Formulating principles, terms and conditions, calculating insurance premium of insurance products;

b) Annually assessing the difference between the presumptive and actual costs of each product;

c) Assessing reinsurance program, reinsurance contracts, and fulfilling other tasks to ensure financial safety for the insurer.

3. A fine of between VND 30,000,000 and 40,000,000 shall be imposed on actuary in charge of professional reserve and solvency of a non-life insurer, or branch of foreign non-life insurer, who fails to comply with law in conducting one of following tasks:

a) Formulating principles, terms and conditions, insurance premium table of insurance products;

b) Assessing the expenditure on indemnities;

c) Assessing the reinsurance program and reinsurance contracts before submitting them to the Board of Directors (the Member assembly or the company's president) for approval.

4. A fine of between VND 90,000,000 and 100,000,000 shall be imposed on actuary of a life insurer, who fails to comply with law in conducting one of following tasks

a) Building up professional reserve for life insurance contracts;

b) Separating funds and distributing annual surplus of funds to owners of insurance contracts.

5. A fine of between VND 90,000,000 and 100,000,000 shall be imposed on actuary in charge of professional reserve and solvency of a non-life insurer, or branch of a foreign non-life insurer, who fails to comply with law in conducting one of following tasks:

a) Building up professional reserve for insurance contracts as prescribed by law;

b) Failing to calculate the solvency margin and make a certification in the solvency report as prescribed by law.

6. Remedial measures:

Compulsory dismissal of the actuary of the life insurer, applicable to the violations in Clause 4 of this Article; compulsory dismissal of the actuary in charge of professional reserve and solvency registered by the non-life insurer or branch of the foreign non-life insurer, applicable to the violations in Clause 5 of this Article.

**Article 11. Penalties for violations against regulations on changing the operational contents**

1. A warning shall be imposed for any of following acts:

a) Changing the name or location of the head office, branch, or representative office without the written approval of the Ministry of Finance;

b) The branch of foreign non-life insurer failing to report in writing the changes of the foreign non-life insurer to the Ministry of Finance as prescribed by law.

2. A fine of between VND 60,000,000 and 70,000,000 shall be imposed for transferring shares or contributions, for shareholders that hold 10% of charter capital or more, or transferring shares or contributions for a shareholder to hold 10% of the charter capital or more without written approval of the Ministry of Finance.

3. Additional penalties:

Suspension of operation for 02 - 03 months, for a part of content and scope directly related to administrative violations, in license of establishment and operation, for violations specified in Clause 2 of this Article

4. Remedial measures:

a) Compulsory restoration of the original state, applicable to the violations in Clause 2 of this Article;

b) Compulsory return of illegal profit earned from the commission of administrative violation in case specified in Clause 2 of this Article.

**Article 12. Penalties for violations against regulations on reinsurance**

1. A fine of between VND 40,000,000 and 50,000,000 shall be imposed for any of following violations:

a) Failing to establish the procedure and provide instructions on reinsurance business, or the procedure and instructions provided are not conformable with law;

a) Failing to provide reinsurance in accordance with the reinsurance programs and the procedure, instructions on reinsurance business;

c) Failing to submit the written certification made by the insurance authority of the foreign country, where the head office of the reinsurance company is situated, to the Ministry of Finance, as prescribed by law;

d) Failing to report the provision of limited reinsurance to the Ministry of Finance, as prescribed by law.

2. A fine of between VND 90,000,000 and 100,000,000 for any of following violations:

a) Ceding reinsurance against the law;

b) Retaining the maximum liability for each risk or separate damage in excess of 5% of the equity capital of the insurer, branch of foreign non-life insurer, and in excess of 10% of the equity capital of the reinsurer;

c) Re-insuring for risks which have already been ceded reinsurance by them; ceding all insurance liability received in a insurance contract to other insurer, reinsurer, or branch of foreign non-life insurer

d) Ceding reinsurance to an overseas reinsurer that is not rated at least “BBB” according to Standard & Poor's, “B++” according to A.M.Best, “Baa” according to Moody’s, or equivalent rating in the latest fiscal year before the reinsurance contract is concluded;

dd) The insurer, reinsurer, or branch of the foreign non-life insurer cedes all insured liability in an insurance contract to another insurer, reinsurer, or branch of the foreign non-life insurer.

3. Additional penalties:

Suspension of operation for 02 - 03 months, for a part of content and scope directly related to administrative violations, in license of establishment and operation, for violations specified in Clause 2 of this Article.

4. Remedial measures:

Compulsory dismissal of the administrators and executive officers accredited by the Ministry of Finance, applicable to the violations in Clause 2 of this Article.

**Article 13. Penalties for violations against regulations on transferring insurance contracts**

1. A fine of between VND 90,000,000 and 100,000,000 shall be imposed on insurers, branches of the foreign non-life insurers which have risk of insolvency; or are divided, split, amalgamated, merged, or dissolved, but fail to transfer insurance contracts as prescribed by law.

2. Additional penalties:

Suspension of operation for 02 - 03 months, for a part of content and scope directly related to administrative violations, in license of establishment and operation, for violations specified in Clause 1 of this Article

3. Remedial measures:

Compulsory restoration of the original state, applicable to the violations in Clause 1 of this Article.

**Article 14. Penalties for violations against regulations on payment of indemnities and insurance money**

1. A fine of between VND 20,000,000 and 30,000,000 shall be imposed for solving compensation to clients with slower time in comparison with time prescribed by law.

2. A fine of between VND 60,000,000 and 70,000,000 for any of following violations:

a) Requesting the beneficiary of insurance benefits to pay money or provide other benefits against the law during the process of indemnity settlement and insurance money payment;

b) Colluding with the beneficiary of insurance benefits to settle insurance indemnity or insurance money payment against the law.

3. A fine of from 90,000,000 VND to 100,000,000 VND shall be imposed for falsifying or forging documents in dossiers requesting for compensation, insurance money which had been paid indemnity and insurance money.

4. Remedial measures:

b) Compulsory dismissal of the administrators and executive officers accredited by the Ministry of Finance, applicable to the violations in Clause 2 and Clause 3 of this Article;

b) Compulsory suspension of the positions designated by the insurer, or branch of the foreign non-life insurer, applicable to the violations in Clause 2 and Clause 3 of this Article;

c) Compulsory return of illegal profit earned from commission of administrative violations specified in Clause 2 and Clause 3 of this Article.

**SECTION 3.**

**ADMINISTRATIVE VIOLATIONS, PENTALTIES, AND REMEDIAL MEASURES PERTAINING TO EXPLOITING INSURANCE**

**Article 15. Penalties for violations against regulations on competition**

1. A fine of between VND 40,000,000 and 50,000,000 for any of following violations:

a) Illegally interfering in the selection of the insurer and branch of the foreign non-life insurer;

b) Abusing the position and authority to assign, request, force other organizations and individuals to buy insurance, or prevent them from obtaining insurance;

c) Providing false information or advertisements involving the operational content and scope, insurance conditions causing damages to lawful rights and interests of insurance buyers.

2. A fine of between VND 60,000,000 and 70,000,000 for any of following violations:

a) Colluding with other insurers, branches of foreign non-life insurers, or between the insurers, branch of the foreign non-life insurer and insurance buyers to divide the insurance market and to make self-contained insurance services;

b) Competing for customers by means of obstructing, inducing, buying off or intimidating employees or customers of other insurers, insurance agents, or insurance brokers

3. Additional penalties:

Suspension of operation for 02 - 03 months, for a part of content and scope directly related to administrative violations, in license of establishment and operation, for violations specified in Clause 1 of this Article

4. Remedial measures:

Compulsory rectification of false or confusing information, applicable to the violations in Clause 1 of this Article.

**Article 16. Penalties for violations against regulations on exploiting non-life insurance**

1. A warning shall be imposed for any of following violations:

a) Failing to make publicity and transparence in sale, making clients confused about the products and services provided by the insurers or branches of foreign non-life insurers;

b) Conducting discrimination on insurance conditions and premiums among insured objects with the same risk level.

2. A fine of between VND 40,000,000 and 50,000,000 shall be imposed on investors of projects which use state capital of 30% or more, owners or users of assets possessed by the State of state-owned enterprises that fail to invite tenders to select the insurer or branch of the foreign non-life insurer as prescribed by law when participating in insurance for assets and liability.

3. Remedial measures: compulsory restoration of the original state, applicable to the violations in Clause 2 of this Article.

**Article 17. Penalties for violations against regulations on provision of life insurance and health insurance**

1. A warning for any of following violations:

a) The documents used for introducing products and services of the insurer are unclear, enigmatic, and contain confusing information;

b) The illustration documents are not clear, sufficient, and accurate enough for clients to make appropriate selection;

c) Failing to annually reconsider the presumptions used for illustrating the products; failing to modify the sale illustration when the presumptions are no longer suitable to reality;

d) The documents used for introducing products, services, documents for illustrating the sale contain information about insurance benefits that contravene the insurance principles, conditions, and charges ratified by the Ministry of Finance.

2. A fine of between VND 40,000,000 and 50,000,000 for any of the following violations:

a) Failing to provide sufficient information about the insurance contract; failing to explain the terms and conditions of the insurance contracts to the insurance buyer when concluding the insurance contract;

b) Failing to inform the insurance buyer of the status of the insurance contract as prescribed by law;

c) Forcing conclusion of auxiliary insurance contracts enclosed to the main insurance contracts;

d) Providing insurance products of investment-linked insurance, retirement insurance, or health insurance against the law.

3. Additional penalties:

Suspension of operation for 02 - 03 months, for a part of content and scope directly related to administrative violations, in license of establishment and operation, for violations specified in Clause 2 of this Article

4. Remedial measures:

Compulsory restoration of the original state, applicable to the violations in Point c Clause 2 of this Article.

**Article 18. Penalties for violations against regulations on insurance products and insurance commission**

1. A warning for reporting list of new products that are provided in the previous month against the law.

2. A fine of between VND 10,000,000 and 20,000,000 for any of the following violations:

a) Failing to report the list of new products that are provided in the previous month;

b) Providing life insurance and health insurance products before the Ministry of Finance grants an approval.

3. A fine of between VND 60,000,000 and 70,000,000 for one of following violations:

a) Failing to comply with the principles, terms, and charges approved by the Ministry of Finance;

b) Amending or supplementing the principles, terms, and prices without written approval of the Ministry of Finance;

c) Failing to report the Ministry of Finance the non-life insurance products that do not ensure financial safety as prescribed by law.

4. A fine of between VND 90,000,000 and 100,000,000 shall be imposed on insurers or branches of the foreign non-life insurers paying insurance commission more than the rate, paying insurance commission to improper objects or improperly with professional operations as prescribed by law.

5. Additional penalties:

Suspension of operation for 02 - 03 months, for a part of content and scope directly related to administrative violations, in license of establishment and operation, for violations specified in Clause 3 and Clause 4 of this Article

6. Remedial measures:

a) Compulsory restoration of the original state, applicable to the violations in Clause 3 and Clause 4 of this Article;

b) Compulsory return of illegal profit earned from commission of administrative violations in Clause 4 of this Article.

**Article 19. Penalties for violations against regulations on compulsory insurance of non-life insurers**

1. A fine of between VND 40,000,000 and 50,000,000 for any of the following violations:

a) Refusing to sell compulsory insurance to organizations and individuals, unless otherwise prescribed by law;

b) Failing to comply with the principles, terms, and prices promulgated by the Ministry of Finance;

c) Failing to separate compulsory fire insurance from the lump-sum insurance contract.

2. Additional penalties:

Suspension of operation for 02 - 03 months, for a part of content and scope directly related to administrative violations, in license of establishment and operation, for violations specified in Clause 1 of this Article

3. Remedial measures:

Compulsory restoration of the original state, applicable to the violations in Point b and Point c Clause 1 of this Article.

**Article 20. Penalties for violations against regulations on setting up the Fund for protecting the insured people**

1. A warning for deduction and remitting to the Fund for protecting the insured people improper deadline as prescribed by law

2. A fine of between VND 20,000,000 and 30,000,000 for failing to deduct and submit sufficiently to Fund for protecting insured people as prescribed by law.

3. A fine of between VND 60,000,000 and 70,000,000 for failing to deduct and submit to Fund for protecting insured people as prescribed by law.

**Article 21. Penalties for violations against regulations on providing insurance services across the border**

1. A fine of between VND 20,000,000 and 30,000,000 shall be imposed on insurers, insurance brokers, or branches of the foreign non-life insurers conducting any of following violations:

a) Failing to keep and provide documents proving that objects of provision of insurance services across the border in Vietnam satisfy conditions as prescribed by law;

b) Failing to send financial statement of the previous year to the Ministry of Finance or send it in variance with regulations of law.

2. A fine of between VND 50,000,000 and 60,000,000 shall be imposed on insurers or foreign insurance brokers, which provide insurance services across the border in Vietnam, failing to provide documents proving satisfaction of the conditions for providing insurance services across the border as prescribed by law.

3. A fine of between VND 180,000,000 and 200,000,000 shall be imposed on organizations conducting any of the following violations

a) The insurers or foreign insurance brokers which provide insurance services across the border but fail to satisfy full conditions for provision of insurance service across the border as prescribed by law;

b) Providers of insurance services across the border have no head offices in countries which signed international agreements of commerce with Vietnam, including agreements on provisions of insurance service across the border in Vietnam;

c) Providing insurance across the border without participation of an insurance broker licensed to operate in Vietnam;

d) Enterprises which are established in Vietnam and are owned more than 49% of charter capital by foreign investors, and foreigners working in Vietnam, participating in insurance in foreign countries without participation of an insurance broker licensed to establish and operate in Vietnam.

4. Additional penalties:

Suspension of operation for 02 - 03 months, for a part of content and scope directly related to administrative violations, in license of establishment and operation, for violations specified in Clause 1 of this Article.

5. Remedial measures:

Compulsory restoration of the original state, applicable to the violations in Clause 2 and Clause 3 of this Article.

**SECTION 4.**

**ADMINISTRATIVE VIOLATIONS, PENTALTIES, AND REMEDIAL MEASURES PERTAINING TO INSURANCE BROKERAGE, INSURANCE AGENT, AND REPRESENTATIVE OFFICES**

**Article 22. Penalties for violations against regulations on buying professional liability insurance of insurance brokers**

A fine of between VND 20,000,000 and 30,000,000 shall be imposed on insurance brokers failing to buy professional liability insurance for insurance brokerage at insurers operating in Vietnam.

**Article 23. Penalties for violations against regulations on insurance brokerage**

1. A fine of from 20,000,000 VND to 30,000,000 VND shall be imposed for preventing the insurance buyer and the insured from providing information related to the insurance contract, or inciting the insurance buyer or the insured to not declare details related to the insurance contract.

2. A fine of between VND 40,000,000 and 50,000,000 for any of following violations:

a) Advising clients to buy insurance at an insurer or branch of the foreign non-life insurer with terms and conditions which are less competitive than those of another insurer or branch of the foreign non-life insurer aiming to earn higher broking commission

b) Providing advice, introducing about the rues, terms, and insurance premiums of life insurance, health insurance, and compulsory insurance for the insurance buyer against the law;

c) The insurance broker fails to reach a written agreement with the insurance buyer, or the written agreement does not specify the scope of insurance brokerage as prescribed by law.

3. A fine of between VND 50,000,000 and 60,000,000 for any of following violations:

a) Collaborating with other organizations and individuals in one or multiple stages of an initial insurance brokerage process, unless otherwise prescribed by law;

b) Employing people without certificates of training in insurance or insurance brokerage as prescribed by law.

4. Additional penalties:

Suspension of operation for 02 - 03 months, for a part of content and scope directly related to administrative violations, in license of establishment and operation, for violations specified in Clause 2 and Clause 3 of this Article

5. Remedial measures:

Compulsory return of illegal profit earned from commission of administrative violations in Point a and Point b Clause 2 of this Article.

**Article 24. Penalties for violations against regulations on insurance agents**

1. A fine of between VND 20,000,000 and 30,000,000 for any of following violations:

a) Acting as an agent for an insurer or branch of the foreign non-life insurer without a written approval of such insurer or branch of the foreign non-life insurer;

b) Preventing the insurance buyer from providing information related to the insurance contract or inciting the insurance buyer or the insured not to declare details related to the insurance contract.

c) Running the insurance agent without signing the agent contract or after the agent contract expires.

2. A fine of between VND 60,000,000 and 70,000,000 for any of following violations:

a) Operating insurance agent when failing to satisfy the operational conditions as prescribed by law;

b) Performing the tasks beyond the operational content of an agent as prescribed by law.

c) Performing the tasks that are not authorized according to the insurance agent contract;

d) On behalf of the insurance buyer, negotiating insurance contract with insurers, branches of foreign non-life insurer while the infringing organizations or individuals also are acting as agent of such insurers, branches of foreign non-life insurer

3. A fine of between VND 70,000,000 and 80,000,000 shall be imposed on establishments of training agent committing any of following violations:

a) Providing courses of training insurance agents which fail to satisfy full conditions as prescribed by law;

b) Failing to comply with the training program approved by the Ministry of Finance in terms of training time, lecturers, and infrastructure for training;

c) Issuing the certificate of insurance agent against the law.

4. A fine of between VND 90,000,000 and 100,000,000 shall be imposed on insurers or branches of the foreign non-life insurers which use organizations or individuals to conduct activities of insurance agent without satisfaction of conditions and principles for activities of insurance agent as prescribed by law.

5. Additional penalties:

Deprivation of the right to use certificate of insurance agent of the individual for 02 - 03 months, suspension of insurance agent operation of organizations for 02 - 03 months, for violations specified in Clause 2 of this Article

6. Remedial measures:

a) Compulsory restoration of the original state, applicable to the violations in Point b and Point c Clause 3 of this Article;

b) Compulsory return of illegal profit earned from commission of administrative violations in Clause 2 and Clause 3 of this Article;

c) Compulsory annulment of the insurance agent training result, applicable to the violations in Point b and Point c Clause 3 of this Article;

d) Compulsory suspension of the provision of training in insurance agent for 01 - 03 months, applicable to the violations in Clause 3 of this Article.

**Article 25. Penalties for violations committed by representative offices of insurers, reinsurers, and foreign insurance brokers**

A fine of between VND 40,000,000 and 50,000,000 for any of following violations:

1. Changing the name, nationality, or address of the insurer, reinsurer, foreign insurance broker or its representative office against the law;

2. Changing the location of the representative office; changing the representative office manager; decreasing the number of employees of the representative office without notifying the Ministry of Finance in writing.

**SECTION 5.**

**ADMINISTRATIVE VIOLATIONS, PENTALTIES, AND REMEDIAL MEASURES PERTAINING TO MANAGEMENT AND USE OF CAPITAL AND ASSETS**

**Article 26. Penalties for violations against regulations on capital**

1. A fine of between VND 90,000,000 and 100,000,000 for any of following violations:

a) Failing to maintain the owner’s equity, the contributed charter capital, and the provided capital to be equal to the legal capital level as prescribed by law;

b) Failing to maintain the owner’s equity, the contributed charter capital, and the provided capital in proportion to the operational content, scope and geographic areas as prescribed by law;

c) Any shareholder being a natural person holds more than 10% of charter capital;

d) A shareholder being an organization holds more than 20% of charter capital, unless otherwise prescribed by law;

dd) Shareholders and relevant persons of such shareholders hold more than 20% of charter capital;

e) The founding shareholders hold less than 50% of the insurer’s common stock entitled to offer for sale within 03 years from the day on which the insurer is issued the license for establishment and operation.

2. Additional penalties:

Suspension of operation for 02 - 03 months, for a part of content and scope directly related to administrative violations, in license of establishment and operation, for violations specified in Clause 1 of this Article

3. Remedial measures:

Compulsory dismissal of the administrator or executive officer of the insurer or branch of the foreign non-life insurer approved by the Ministry of Finance, applicable to the violations in Point a and Point b Clause 1 of this Article.

**Article 27. Penalties for violations against regulations on deposit**

A warning for any of following violations:

1. Paying deposits against the law;

2. Using deposits against the law.

**Article 28. Penalties for violations against regulations on setting up, management, and use of professional reserve and compulsory reserve funds**

1. A warning for deduction and setting up insufficiently the compulsory reserve fund as prescribed by law.

2. A fine of between VND 10,000,000 and 20,000,000 for any of following violations:

a) Failing to register the method of setting up professional reserve with the Ministry of Finance;

b) Failing to set up the compulsory reserve fund as prescribed by law;

c) Using the compulsory reserve fund against the law.

3. A fine of between VND 60,000,000 and 70,000,000 for any of following violations:

a) Setting up professional reserve against the law;

b) Using professional reserves against the law.

c) Setting up professional reserve of the non-life insurer or branch of the foreign non-life insurer without certification of the actuary in charge of technical reserve and solvency.

d) Failing to follow the method of setting up professional reserve registered with the Ministry of Finance.

4. A fine of between VND 90,000,000 and 100,000,000 for failing to set up professional reserve as prescribed by law.

5. Additional penalties:

Suspension of operation for 02 - 03 months, for a part of content and scope directly related to administrative violations, in license of establishment and operation, for violations specified in Clause 3 and Clause 4 of this Article

6. Remedial measures:

a) Compulsory restoration of the original state, applicable to the violations in Clause 2 and Clause 3 of this Article;

b) Compulsory return of illegal profit earned from commission of administrative violations in Point c Clause 2 and Point b Clause 3 of this Article;

c) Compulsory dismissal of the administrators, executive officers and actuaries accredited by the Ministry of Finance, applicable to the violations in Clause 3 and Clause 4 of this Article;

d) Compulsory suspension of the positions designated by the insurer, reinsurer, or branch of the foreign non-life insurer, applicable to the violations in Clause 3 and Clause 4 of this Article.

**Article 29. Penalties for violations against regulations on capital investment**

1. A fine of between VND 20,000,000 and 30,000,000 for any of the following violations:

a) Failing to make accounting separately for capital investment from the equity source and investment from professional reserve

b) The reinsurer provides life reinsurance, non-life reinsurance, and health reinsurance concurrently but it fails to make accounting separately idle investment sources from professional reserve of each reinsurance product

2. A fine of between VND 60,000,000 and 70,000,000 for any of the following violations

a) Making investments from capital sources other than those allowed investing as prescribed by law;

b) Investing idle capital from professional reserve in excess of the permissible proportion of investment in various fields as prescribed by law;

c) The reinsurer investing idle capital from professional reserve against the law.

3. A fine of between VND 90,000,000 and 100,000,000 for any of the following violations:

a) Taking loans to make direct investment or authorize investment in securities, real estate, or contributing capital to other enterprises;

b) Making reinvestment in any shape or form in shareholders (contributors) or relevant persons as prescribed by law, except for deposits at the shareholders (members) being credit institutions;

c) Using the capital source from professional reserve to conduct overseas investment in any shape or form;

d) Conducting overseas investment against the law.

4. Additional penalties:

Suspension of operation for 02 - 03 months, for a part of content and scope directly related to administrative violations, in license of establishment and operation, for violations specified in Clause 3 of this Article

5. Remedial measures:

a) Compulsory return of illegal profit earned from commission of administrative violations in Clause 2 and Clause 3 of this Article;

b) Compulsory dismissal of the administrators and executive officers accredited by the Ministry of Finance, applicable to the violations in Clause 3 of this Article;

c) Compulsory suspension of the positions designated by the insurer, reinsurer, or branch of the foreign non-life insurance insurer, applicable to the violations in Clause 3 of this Article.

**SECTION 6.**

**ADMINISTRATIVE VIOLATIONS, PENTALTIES, AND REMEDIAL MEASURES PERTAINING TO SOLVENCY**

**Article 30. Penalties for violations against regulations on financial safety in activities of enterprises**

1. A fine of between VND 40,000,000 and 50,000,000 for any of following violations

a) Failing to carry out internal audit as prescribed by law;

b) Failing to report timely on the financial status and causes leading the risk of insolvency.

2. A fine of between VND 90,000,000 and 100,000,000 for any of the following violations:

a) Failing to take measures for restoring the solvency when enterprises have the risk of insolvency;

b) Failing to comply with the requirements for restoring solvency as prescribed by law;

c) Failing to comply with plan on restoring solvency, strengthening the organization and operation of the insurers, already been approved by the Ministry of Finance

3. Additional penalties:

Suspension of operation for 02 - 03 months, for a part of content and scope directly related to administrative violations, in license of establishment and operation, for violations specified in Clause 2 of this Article

4. Remedial measures:

a) Compulsory dismissal of the administrators, executives and actuaries approved by the Ministry of Finance, applicable to the violations in Clause 2 of this Article;

b) Compulsory suspension of the positions designated by the insurer, reinsurer, or branch of the foreign non-life insurance insurer, applicable to the violations in Clause 2 of this Article.

**Article 31. Penalties for violations against regulations on fund separation and surplus distribution in life insurance**

1. A fine of between VND 10,000,000 and 20,000,000 for failing to register the principles of fund separation and surplus distribution as prescribed by law.

2. A fine of between VND 30,000,000 and 40,000,000 for using surplus from fund of holder of this contract to supplement for deficit of fund of owner or fund of holder of other contract.

3. A fine of between VND 60,000,000 and 70,000,000 for separating funds or distributing surplus against the law.

4. Additional penalties:

Suspension of operation for 02 - 03 months, for a part of content and scope directly related to administrative violations, in license of establishment and operation, for violations specified in Clause 3 of this Article

5. Remedial measures:

a) Compulsory restoration of the original state, applicable to the violations in Clause 3 of this Article;

b) Compulsory dismissal of the administrators, executive officers and actuaries accredited by the Ministry of Finance, applicable to the violations in Clause 3 of this Article;

c) Compulsory suspension of the positions designated by the insurer, applicable to the violations in Clause 3 of this Article.

**SECTION 7.**

**ADMINISTRATIVE VIOLATIONS, PENTALTIES, AND REMEDIAL MEASURES PERTAINING TO REPORTING REGIME**

**Article 32. Penalties for violations against regulations on reporting**

1.A warning for any of following violations:

a) Submitting report improperly the deadline as prescribed by law

b) Submitting inadequate reports as prescribed by law.

2. A fine of between VND 10,000,000 and 20,000,000 for providing insufficient or incorrect information, data in the report as prescribed by law.

3. A fine of between VND 20,000,000 and 30,000,000 for failing to submit reports as prescribed by law.

**SECTION 8.**

**SANCTIONING COMPETENCE FOR ADMINISTRATIVE VIOLATIONS IN INSURANCE BUSINESS**

**Article 33. Sanctioning competence for administrative violations in insurance business**

1. The persons assigned task of specialized inspection of Department of Insurance Management and Supervision - the Ministry of Finance have rights:

a) To impose warnings;

b) To confiscate material evidences or means used in the commission of administrative violations valued not exceeding VND 500,000;

c) Take the remedial measures specified in Point a and Point d Clause 1 Article 4 of this Decree.

2. Heads of specialized inspectorate delegations of Department of Insurance Management and Supervision - the Ministry of Finance have rights:

a) To impose warnings;

b) To fine up to VND 50,000,000;

c) To suspend operation of a part of content and scope in license of establishment and operation with a defined term; deprive the right to use of certificate of insurance agent with a defined term or suspend operation with a defined term

d) To confiscate material evidences or means used in the commission of administrative violations valued not exceeding the fine level specified in point b of this Clause.

dd) Take the remedial measures prescribed in Clause 1 Article 4 of this Decree.

3. The Director of the Department of Insurance Management and Supervision has rights:

a) To impose warnings;

b) To fine up to VND 100,000,000;

c) To suspend operation of a part of content and scope in license of establishment and operation with a defined term; deprive the right to use of certificate of insurance agent with a defined term or suspend operation with a defined term

d) To confiscate material evidences or means used in the commission of administrative violations valued not exceeding the fine level specified in point b of this Clause;

dd) Take the remedial measures prescribed in Clause 1 Article 4 of this Decree.

4. The competence of fine levels specified in this Article is applied to individuals; the fine levels for organizations are twice as fines applied to individuals.

**Chapter 3.**

**VIOLATIONS, PENALTIES AND FINES FOR VIOLATIONS AGAINST THE LAW ON LOTTERY BUSINESS**

**SECTION 1.**

**VIOLATIONS AGAINST THE REGULATIONS ON ISSUING AND USING THE CERTIFICATE ELIGIBILITY TO DO LOTTERY BUSINESS**

**Article 34. Violations against regulations on granted application for the certificate of eligibility to do lottery business**

1. A fine of from 5,000,000 VND to 10,000,000 VND for shall be imposed falsifying or forging documents of the granted application for the certificate of eligibility to do lottery business.

2. Remedial measures:

Compulsory destruction of the falsified or forged documents, applicable to the violations in this Article.

**Article 35. Violations against the regulations on managing and using the certificate eligibility to do lottery business**

1. A fine of from 40,000,000 VND to 60,000,000 VND shall be imposed for falsifying the certificate of eligibility to do lottery business.

2. A fine of from 60,000,000 VND to 80,000,000 VND shall be imposed for lending, leasing, or transferring the certificate of eligibility to do lottery business.

3. A fine of from 80,000,000 VND to 100,000,000 VND shall be imposed for doing lottery business without the certificate of eligibility to do lottery business issued by a competent authority.

4. Additional penalties:

Confiscating the certificate eligibility to do lottery business for 01 - 03 months, applicable to the violations in Clause 1 and Clause 2 of this Article.

5. Remedial measures:

Compulsory return of illegal profit earned from the violations in this Article.

**SECTION 2.**

**VIOLATIONS AGAINST THE LAW ON PRINTING, ISSUING, AND DISTRIBUTING LOTTERY TICKETS**

**Article 36. Violations against regulations on printing and issuing lottery tickets**

1. One of the following acts shall carry a fine of form 5,000,000 VND to 10,000,000 VND:

a) Printing lottery tickets that contain insufficient information as prescribed by law;

b) Signing contracts to print lottery tickets with unqualified printing facilities.

2. One of the following acts shall carry a fine of form 10,000,000 VND to 20,000,000 VND:

a) Issuing lottery tickets of which the nominal values are not conformable with law;

b) Issuing lottery tickets beyond the limits prescribed by law;

c) Issuing lottery tickets inconsistently with the drawing schedule as prescribed by law;

d) Issuing computerized lottery tickets inconsistently with the time prescribed by law.

3. A fine of form 20,000,000 VND to 30,000,000 VND shall be imposed for printing insufficient quantity of lottery tickets according to the announced symbols and prizes.

4. A fine of from 30,000,000 VND to 50,000,000 VND shall be imposed for erasing, falsifying the lottery ticket in any shape or form to win the prizes.

5. A fine of from 50,000,000 VND to 70,000,000 VND shall be imposed for forging lottery tickets in any shape or form to win the prizes.

6. Additional penalties:

a) Confiscating all the lottery tickets used for committing the violations in Clause 2, Clause 4, and Clause 5 of this Article;

b) Confiscating the certificate eligibility to do lottery business for 01 - 02 months, applicable to the violations in Clause 2 and Clause 3 of this Article.

7. Remedial measures:

Compulsory return of illegal profit earned from the violations in Clause 2, Clause 3, Clause 5, and Clause 5 of this Article.

**Article 37. Violations against regulations on distributing lottery tickets**

1. One of the violations below shall be given a warning:

a) Selling lottery tickets to the persons that are not eligible to buy lottery tickets.

b) Selling lottery tickets at other prices than their nominal values.

2. A fine of from 10,000,000 VND to 20,000,000 VND shall be imposed for distributing lottery tickets using improper methods.

3. Remedial measures:

Compulsory return of illegal profit earned from the violations in Clause 2 of this Article.

**Article 38. Violations against regulations on area for lottery business**

1. A fine of form 10,000,000 VND to 20,000,000 VND shall be imposed for selling lottery tickets beyond the permissible localities.

2. Additional penalties:

Confiscating the lottery tickets sold outside the permissible localities.

3. Remedial measures:

a) Compulsory sale of lottery tickets within the permissible localities, applicable to the violations in this Article;

b) Compulsory return of illegal profit earned from the violations in this Article.

**Article 39. Violations against regulations on buying lottery tickets**

1. The person that is not eligible to buy lottery tickets shall be given a warning when deliberately buying lottery tickets.

2. A fine of form 20,000,000 VND to 30,000,000 VND shall be imposed for using state capital and assets to buy lottery tickets.

3. Remedial measures:

Compulsory return of illegal profit earned from the violations in this Article.

**Article 40. Violations against regulations on withdrawing, keeping, and destroying unsold lottery tickets**

1. One of the violations below shall be given a warning:

a) Failing to establish the procedure for withdrawing unsold lottery tickets;

b) Authorizing another lottery company to withdraw unsold lottery tickets without a written authorization.

2. One of the following acts shall carry a fine of form 10,000,000 VND to 20,000,000 VND:

a) Destroying the unsold lottery tickets or counterfoils that have not been kept for a sufficient period of time;

b) Failing to establish a lottery ticket destruction council, or the number of council members is not sufficient as prescribed by law;

c) Failing to make record on destruction of unsold lottery tickets.

**Article 41. Violations against regulations on lottery agents**

1. A warning shall be given for falsifying or forging the documents in the granted application for establishing the lottery agent.

2. One of the following acts shall carry a fine of form 10,000,000 VND to 30,000,000 VND:

a) Signing agent contracts with ineligible organizations and individuals;

b) Failing to maintain the reserve for liability of the lottery agent;

c) Allowing the lottery agent to owe the debt beyond debt term or the time to pay money from selling lottery tickets.

3. Additional penalties:

Confiscating the falsified or forged documents, applicable to the violations in Clause 1 of this Article.

**SECTION 3.**

**VIOLATIONS AGAINST THE LAWS ON PRODUCTS, RULES FOR PARTICIPATION, AND PRIZES**

**Article 42. Violations against regulations on products**

1. A fine of form 20,000,000 VND to 40,000,000 VND shall be imposed for selling prohibited products.

2. Additional penalties:

a) Confiscating all prohibited lottery tickets as prescribed by law;

b) Confiscating the certificate of eligibility to do lottery business for 01 - 02 months, applicable to the violations in this Article.

3. Remedial measures:

Compulsory return of illegal profit earned from violations, applicable to the violations in this Article.

**Article 43. Violations against regulations on giving prize, prize structure, and rules for participation**

1. One of the following acts shall carry a fine of form 5,000,000 VND to 10,000,000 VND:

a) Establish the prize structure of each issuance beyond the maximum limits;

b) Establish the prize structure against the law.

2. A fine of form 10,000,000 VND to 20,000,000 VND shall be imposed for failing to formulate and announce the rules for participation as prescribed by law.

3. Remedial measures:

Compulsory return of illegal profit earned from the violations in Clause 1 of this Article.

**SECTION 4.**

**VIOLATIONS AGAINST REGULATIONS ON ANNOUNCING WINNING NUMBERS AND LOTTERY MACHINES**

**Article 44. Violations against regulations on announcing winning numbers**

1. One of the following acts shall carry a fine of form 10,000,000 VND to 20,000,000 VND:

a) Announcing winning numbers inconsistently with the schedule;

b) Announcing winning numbers at other locations than the prescribed ones;

c) Failing to formulate and announce the regulations on drawing winning numbers.

2. One of the following acts shall carry a fine of form 20,000,000 VND to 30,000,000 VND:

a) Employing ineligible persons to draw winning numbers;

b) Employing inadequate persons to draw winning numbers;

c) Drawing numbers at other times than those prescribed by law;

d) Drawing winning numbers in contravention of the procedure.

3. A fine of from 30,000,000 VND to 50,000,000 VND shall be imposed for deliberately falsify the lottery results.

4. Remedial measures:

a) Compulsory return of illegal profit earned from the violations in Clause 3 of this Article;

b) Compulsory annulment and rectification of the lottery results, applicable to the violations in Clause 3 of this Article.

**Article 45. Violations against regulations on lottery machines**

1. One of the following acts shall carry a fine of form 20,000,000 VND to 30,000,000 VND:

a) Failing to acquire adequate lottery machines as prescribed by law;

b) Using unsatisfactory rotating cages as prescribed by law;

b) Using unsatisfactory balls as prescribed by law;

d) Using unsatisfactory precision scales and devices to measure the balls;

dd) Cameras and monitors are not positioned to supervise the entire drawing process; the video recordings are not kept for a sufficient period of time.

2. Additional penalties:

Confiscating the unsatisfactory equipment used for drawing numbers according to this Article.

**SECTION 5.**

**VIOLATIONS AGAINST REGULATIONS ON INFORMATION AND SALE PROMOTION**

**Article 46. Violations against regulations on using lottery results and information about lottery results**

1. A fine of form 30,000,000 VND to 50,000,000 VND shall be imposed for using lottery results to hold games of chance against the law.

2. A fine of form 80,000,000 VND to 100,000,000 VND shall be imposed for using lottery results to hold prize games against the law.

3. A fine of form 180,000,000 VND to 200,000,000 VND shall be imposed for providing false information about lottery result according to the certification of the Lottery Supervision Council.

4. Additional penalties:

Confiscating the certificate eligibility to do lottery business for 01 - 02 months, applicable to the violations in this Clause 3 of this Article.

5. Remedial measures:

a) Compulsory cancellation and rectification of incorrect results according to the certification of the Lottery Supervision Council, applicable to the violations in Clause 4 of this Article;

b) Compulsory return of illegal profit earned from the violations in this Article.

**Article 47. Violations against the laws on promotion in the lottery business**

1. A fine of form 10,000,000 VND to 20,000,000 VND shall be imposed for doing promotion in the lottery business.

2. A fine of from 20,000,000 VND to 40,000,000 VND for taking advantage of doing promotion in the form of games of chance to do illegal lottery business and reap profit from customers.

3. Additional penalties:

a) Confiscating the exhibits and instruments used for doing promotion;

b) Confiscating the certificate eligibility to do lottery business for 01 - 02 months, applicable to the violations in this Article.

4. Remedial measures:

Compulsory return of illegal profit earned from violations, applicable to the violations in this Article.

**SECTION 6.**

**VIOLATIONS AGAINST REGULATIONS ON GIVING PRIZES, KEEPING WINNING LOTTERY TICKETS, AND CONDITIONS TO DO ELETRONIC LOTTERY**

**Article 48. Violations against regulations on giving prizes**

1. A fine of from 5,000,000 VND to 10,000,000 VND shall be imposed for giving prizes for ineligible lottery tickets as prescribed by law.

2. One of the following acts shall carry a fine of form 10,000,000 VND to 20,000,000 VND:

a) Deliberately delaying giving prizes for lottery winners;

b) Destroying winning lottery tickets that are claimed but have not been kept for a sufficient period of time.

3. A fine of form 20,000,000 VND to 30,000,000 VND shall be imposed for revealing information about lottery winners.

4. A fine of form 30,000,000 VND to 50,000,000 VND shall be imposed for authorizing the agent to give prizes beyond the limits.

5. Remedial measures:

Compulsory return of illegal profit earned from the violations in Clause 1 and Clause 4 of this Article.

**Article 49. Violations against the law on conditions for computerized lottery**

1. A fine of form 20,000,000 VND to 40,000,000 VND shall be imposed for doing computerized lottery business without promulgating a Regulation on management and collection of data from servers; failing to kept lottery business data for a sufficient period of time.

2. A fine of form 40,000,000 VND to 60,000,000 VND shall be imposed for doing computerized lottery business without adequate servers and lottery machines as prescribed by law.

3. A fine of form 60,000,000 VND to 80,000,000 VND shall be imposed for doing computerized lottery business without adequate software as prescribed by law.

4. Additional penalties:

Confiscating the certificate eligibility to do lottery business for 01 - 03 months, applicable to the violations in this Article.

5. Remedial measures:

Compulsory return of illegal profit earned from violations, applicable to the violations in this Article.

**SECTION 7.**

**VIOLATIONS AGAINST REGULATIONS ON COMMISSION FOR AGENTS, CONTRIBUTION TO PRIZE FUNDS AND FINANCE FUNDS, USING FUNDS, AND REPORTING**

**Article 50. Violations against regulations on commission for agents, contribution to prize funds, finance fund, and use of funds**

1. A fine of form 30,000,000 VND to 50,000,000 VND shall be imposed for paying commission to the lottery agents beyond the limits.

2. A fine of form 50,000,000 VND to 70,000,000 VND shall be imposed for making contribution to, using prize funds and finance fund against the law.

**Article 51. Violations against regulations on reporting lottery business**

1. The lottery company that commits one of the following acts shall be given a warning:

a) Failing to submit reports or failing to submit adequate reports to competent authorities as prescribed by law;

b) Submitting reports to competent authorities behind schedule as prescribed by law.

2. A fine of form 5,000,000 VND to 10,000,000 VND shall be imposed for providing insufficient or incorrect information in the report submitted to competent authorities.

3. Remedial measures:

Compelling the lottery company to supplement and rectify the report, applicable to the violations in Clause 2 of this Article.

**SECTION 8. POWERS TO IMPOSE PENALTIES FOR ADMINISTRATIVE VIOLATIONS AGAINST THE LAW ON LOTTERY BUSINESS**

**Article 52. Powers to impose penalties for administrative violations against the law on lottery business**

1. Finance inspectors at all levels are entitled to:

a) Give warnings;

b) Confiscate the exhibits and instruments used for committing administrative violations that are worth no more than 500,000 VND;

c) Take the remedial measures prescribed in Point a, Point b, Point d Clause 2 Article 4 of this Decree.

2. The Chief Inspector of the Service of Finance is entitled to:

a) Give warnings;

b) Impose fines of up to 50,000,000 VND;

c) Confiscate the exhibits and instruments used for committing administrative violations that are worth no more than the level prescribed in Point b of this Clause;

d) Take the remedial measures prescribed in Clause 2 Article 4 of this Article.

3. The Chief Inspector of the Ministry of Finance is entitled to:

a) Give warnings;

b) Impose fines of up to 100,000,000 VND;

c) Confiscate the Certificate eligibility to do lottery business as prescribed by law;

d) Confiscate the exhibits and instruments used for committing administrative violations;

dd) Take the remedial measures prescribed in Clause 2 Article 4 of this Article.

4. The powers to impose fines prescribed in aquaculture products Article are applicable to natural persons. The fines incurred by an organization are twice as much as those incurred by a natural person.

5. The persons having the powers to impose penalties as prescribed in Clause 1, Clause 2 and Clause 3 of this Article, the persons having the powers to impose penalties of other agencies as prescribed by law shall impose penalties in accordance with this Decree when discovering administrative violations in the fields or localities under their management.

**Chapter 4.**

**IMPLEMENTATION**

**Article 53. Effect**

1. This Decree takes effect on October 15, 2013 and supersedes the Government's Decree No.[41/2009/ND-CP](http://thuvienphapluat.vn/phap-luat/tim-van-ban.aspx?keyword=41/2009/ND-CP&area=2&type=0&match=False&vc=True&lan=0) dated May 05, 2009 of the Government on penalties for administrative violations against regulations on insurance business and the Government's Decree No. [105/2010/ND-CP](http://thuvienphapluat.vn/phap-luat/tim-van-ban.aspx?keyword=105/2010/ND-CP&area=2&type=0&match=False&vc=True&lan=0)dated October 27, 2010 on penalties for administrative violations against regulations on lottery business

2. The administrative violations against regulations on insurance and lottery business that are committed before this Decree takes effect but discovered and dealt with thereafter, the regulations on penalties for administrative violations in this Decree shall apply if they are advantageous to the offenders.

3. The decisions on penalties for administrative violations that are issued or implemented before the Law on Handling administrative violations and this Decree takes effect but appeals are lodged by the penalized entities, the Ordinance on Handling administrative violations, the Decree No. [41/2009/ND-CP](http://thuvienphapluat.vn/phap-luat/tim-van-ban.aspx?keyword=41/2009/ND-CP&area=2&type=0&match=False&vc=True&lan=0) dated May 05, 2009 and the Decree No. [105/2010/ND-CP](http://thuvienphapluat.vn/phap-luat/tim-van-ban.aspx?keyword=105/2010/ND-CP&area=2&type=0&match=False&vc=True&lan=0) dated October 27, 2010 shall apply.

**Article 54. Organizing the implementation**

1. The Ministry of Finance shall provide guidance on, inspect and supervise the implementation of this Decree.

2. Ministers, Heads of ministerial agencies, Heads of Governmental agencies, Presidents of the People’s Committees of central-affiliated cities and provinces are responsible for the implementation of this Decree./.

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|   | **FOR THE GOVERNMENT THE PRIME MINISTERNguyen Tan Dung** |