



State Securities  
Commission  
of Vietnam

# DEVELOPMENT OF DERIVATIVES MARKET IN VIETNAM

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*(This is the own viewpoint of the presenter)*

08-Mar-2017

State Securities Commission of Vietnam

# Outline



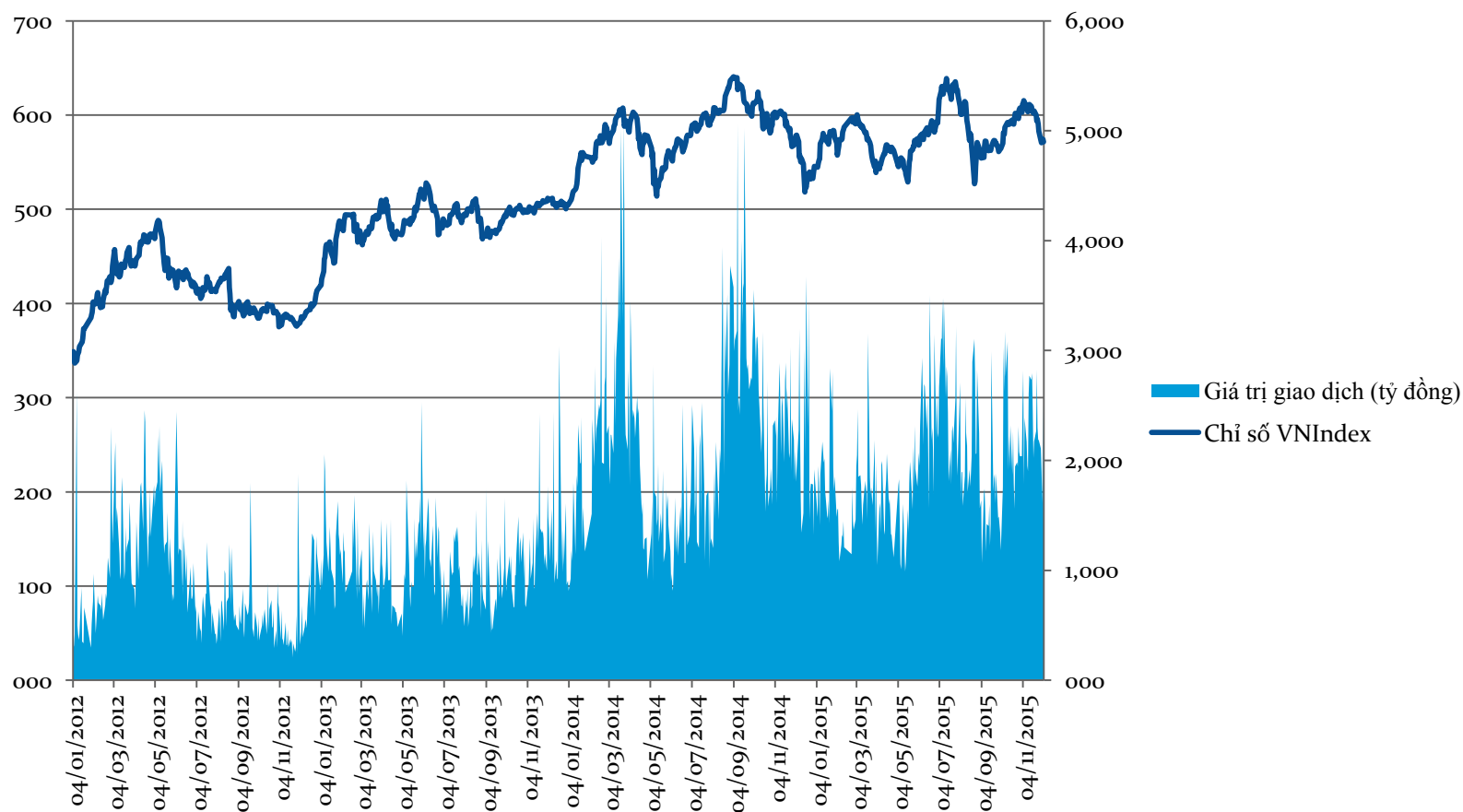
- Overview of Vietnam Securities Market
- Development of Derivatives Market in Vietnam
  - ▣ Why Derivatives Market?
  - ▣ Structure
  - ▣ Provisional roadmap
  - ▣ Regulatory framework

# Vietnam Securities Market



3

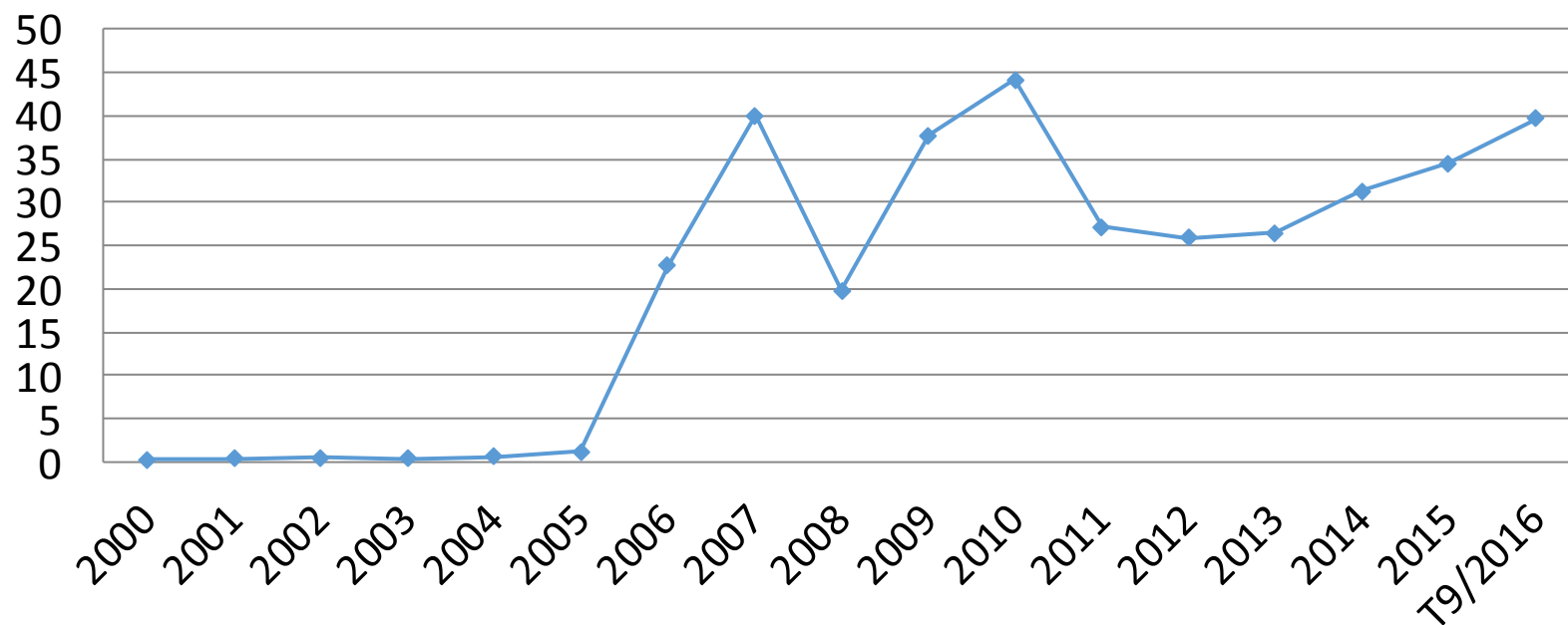
## □ VN-Index movements



# Vietnam Securities Market



**Market Capitalization of Listed Companies (% GDP)**

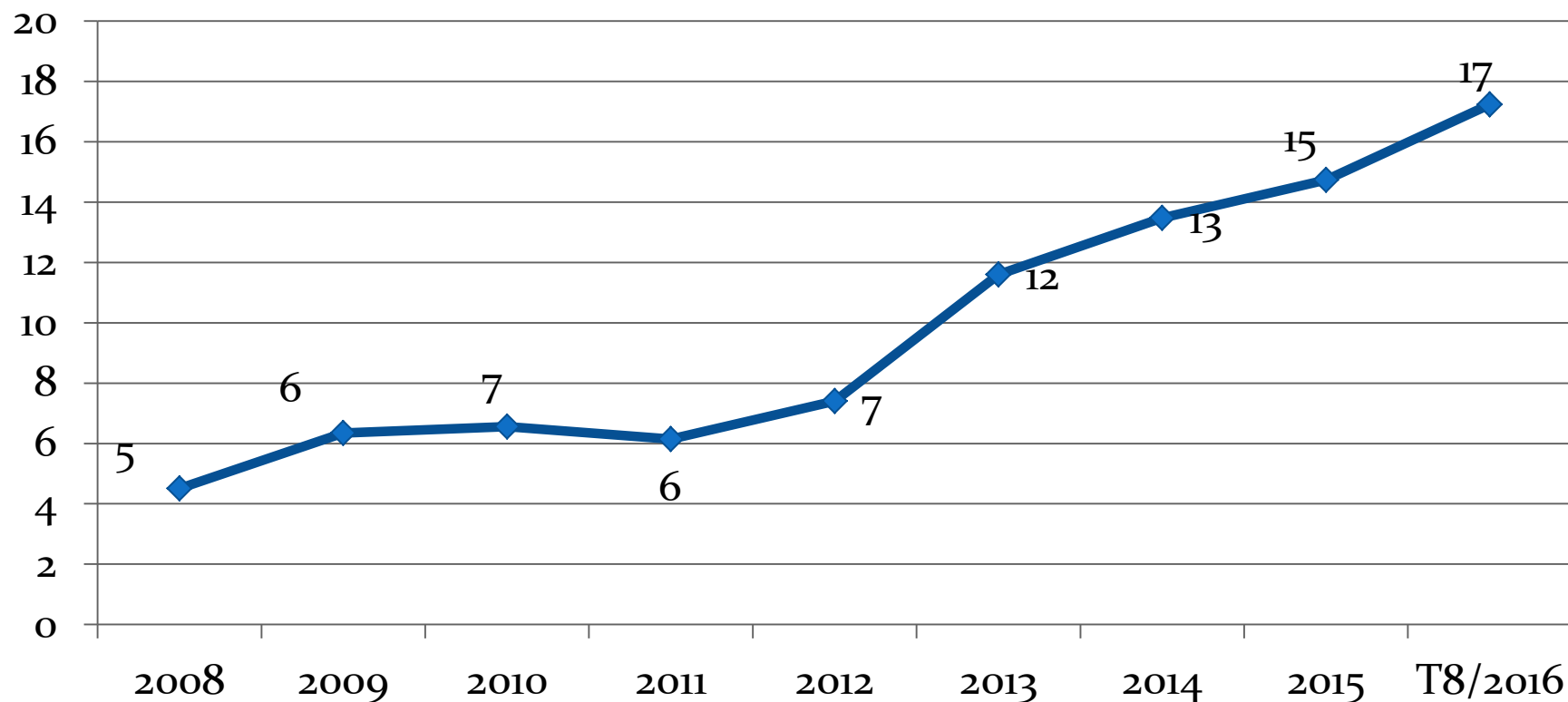


# Vietnam Securities Market



5

## Foreign investment portfolio (US\$bil.)

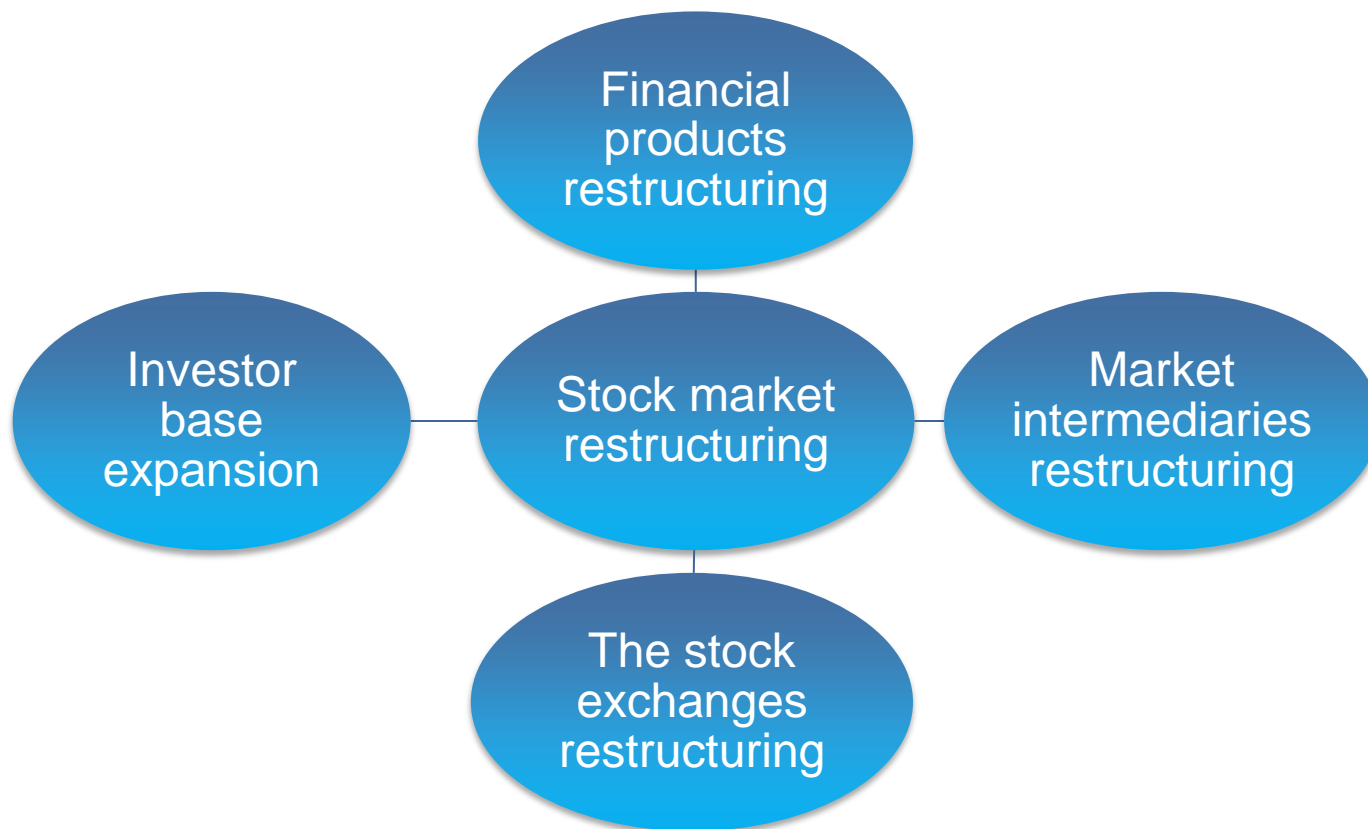


# Vietnam Securities Market



6

- Stock market restructuring plan: Four main pillars



# Derivatives Market in Vietnam



- Why?
  - ▣ New financial instrument for investment
  - ▣ An important tool for risk management

# Derivatives Market in Vietnam



## □ Structure

### ▣ Infrastructure

- Trading: Hanoi Stock Exchange (HNX)
- Clearing & settlement: Vietnam Securities Depository (VSD)

### ▣ Market intermediaries

- Trading members and clearing members

### ▣ Investors

- Institutional investors and individual investors

### ▣ Regulator

- State Securities Commission of Vietnam



# Derivatives Market in Vietnam



- Provisional roadmap
  - ▣ Regulation and guiding rules (almost done)
  - ▣ 2017: Launching derivatives market
    - Government bond futures & Index futures
  - ▣ 2018-2019: Introducing options products
    - Stock options, Index options, government bond options
  - ▣ 2020: Other products
    - Interest rate and other money market derivatives
    - ...

# Derivatives Market in Vietnam



10

- Regulatory framework
  - ▣ Securities law (National Assembly)
  - ▣ Derivatives market decree (Government)
    - Number: 42/2015/NĐ-CP, Date: 05/05/2015
  - ▣ Derivatives market circular (Ministry of Finance)
    - Number: 11/2016/TT-BTC, Date: 19/01/2016
  - ▣ Guiding rules
    - Trading rules (HNX)
    - Clearing and settlement rules (VSD)

# Derivatives Market in Vietnam



11

- Some challenges
  - ▣ Cash market not developed yet (liquidity)
  - ▣ Complexity
    - Products
    - Risk management
    - Infrastructure (exchanges & clearing house)
  - ▣ Inexperience
    - New for all: Regulator, exchanges & clearing house, market intermediaries, investors
    - Design (specifications) of first products



# Thank you!

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