

**MINISTRY OF FINANCE**

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**SOCIALIST REPUBLIC OF VIETNAM**

**Independence – Freedom – Happiness**

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No. 04/2021/TT-BTC

*Hanoi, January 15, 2021*

**CIRCULAR**

**ON ELABORATING TO DECREE NO. 03/2021/ND-CP DATED JANUARY 15, 2021 OF THE GOVERNMENT ON COMPULSORY CIVIL LIABILITY INSURANCE OF MOTOR VEHICLE USERS**

*Pursuant to Law on Insurance Business dated December 9, 2000;*

*Pursuant to Law on amendments to Law on Insurance Business dated November 24, 2010;*

*Pursuant to Law on amendments to Law on Insurance Business, Law on Intellectual Property dated June 14, 2019;*

*Pursuant to Decree No. 87/2017/ND-CP dated July 26, 2017 of the Government on functions, tasks, powers, and organizational structure of the Ministry of Finance;*

*Pursuant to Decree No. 03/2021/ND-CP dated January 15, 2021 of the Government on compulsory civil liability insurance of motor vehicle users;*

*At request of Director General of Agency for Insurance Supervisory and Management;*

*Minister of Finance promulgates Circular on elaborating to Decree No. 03/2021/ND-CP dated January 15, 2021 of the government on compulsory civil liability insurance of motor vehicle users*

**Article 1. Scope**

This Circular prescribes Clause 2 Article 7 on insurance premiums, Clause 2 Article 8 on insurance liability, Clause 2 Article 27 on rate of expenses of motor vehicle fund, Clause 3 Article 28 on organizational structure for management, operation and preparation of estimates, accounting and statement of motor vehicle fund, Clause 2 Article 30 on procedures and application for humanitarian payments made from motor vehicle fund, reimbursement of advance compensation paid by insurance enterprises according to Decree No. 03/2021/ND-CP dated January 15, 2021 on compulsory civil liability insurance of motor vehicle users.

**Article 2. Regulated entities**

This Circular applies to:

1. Owner of motor vehicles participating in traffic and operating within Socialist Republic of Vietnam territory.
2. Insurance enterprises permitted to implement compulsory civil liability insurance of owners of motor vehicles as per the law.
3. Agencies, organizations and individuals related to implementation of compulsory civil liability insurance of owners of motor vehicles.

### **Article 3. Insurance premiums**

Insurance premiums of each motor vehicle type are specified under Annex I attached hereto.

### **Article 4. Insurance liability**

1. Insurance liability for health and life casualties caused by motor vehicles shall be VND 150 million per individual involved per accident.
2. Insurance liability for asset damage:
  - a) Insurance liability for accidents caused by motorbikes, motorized tricycles, mopeds (including electric mopeds) and vehicles with similar structures according to Law on Road Traffic shall be VND 50 million per accident.
  - b) Insurance liability for accidents caused by automobiles, tractors, trailers or semi-trailers towed by automobiles, tractors or specialized vehicles according to Law on Road Traffic shall be VND 100 million per accident.

### **Article 5. Rate of expenses made by motor vehicle fund**

1. Humanitarian payments: No lower than 25% of total annual contribution to motor vehicle fund and balance of motor vehicle fund in previous years (if any).
2. Road traffic accident prevention and mitigation: No more than 20% of total annual contribution to motor vehicle fund and balance of motor vehicle fund in previous years (if any).
3. Organization of education about road traffic safety and compulsory civil liability insurance of motor vehicle users: No more than 15% of total annual contribution to motor vehicle fund and balance of motor vehicle fund of previous years (if any).
4. Financing for police authorities in cooperating with the Insurance Association of Vietnam (IAV), Council for managing motor vehicle insurance fund and non-life insurance enterprises in preventing, remediating and countering fraud in insurance business and complying with regulations on compulsory civil liability insurance of motor vehicle users: No more than 10% of total annual contribution to motor vehicle fund.

5. Commendation for organizations and individuals with merits in implementing compulsory civil liability insurance of motor vehicle users, preventing and remediating damage, traffic accidents and ensuring road traffic safety: No more than 5% of total annual contribution to motor vehicle fund.

6. Completion and maintenance of database on compulsory civil liability insurance of motor vehicle users: No more than 10% of total annual contribution to motor vehicle fund.

7. Operation of ASEAN Program for compulsory civil liability insurance and operation of Vietnamese agency implementing Protocol No. 5 on ASEAN Program for compulsory civil liability insurance: No more than 5% of total annual contribution to motor vehicle fund.

8. Management of motor vehicle fund: No more than 8% of total annual contribution to motor vehicle fund.

#### **Article 6. Organizational structure for management and operation of motor vehicle fund**

1. Council for managing motor vehicle fund consists of:

a) Chairperson of Council for managing motor vehicle fund: Chairperson of the IAV.

b) Members:

- Representatives of Agency for Insurance Supervisory and Management - Ministry of Finance.

- Representatives of Traffic Police Department - Ministry of Public Security.

- General Secretary of the IAV.

- General Director or Deputy General Director of at least 3 non-life insurance enterprises permitted to implement compulsory civil liability insurance of motor vehicle users with the majority of market shares leaning towards compulsory civil liability insurance of motor vehicle users.

2. Board for operating motor vehicle fund consists of:

a) Chairperson of Council for managing motor vehicle fund: General Secretary of the IAV.

b) Members: Representatives of at least 3 non-life insurance enterprises permitted to implement compulsory civil liability insurance of motor vehicle users with the majority of market shares leaning towards compulsory civil liability insurance of motor vehicle users.

3. Board for supervising motor vehicle fund consists of:

a) At least 3 members that are representatives of 3 non-life enterprises permitted to implement compulsory civil liability insurance of motor vehicle users.

b) Head of Board for supervising motor vehicle fund assigned by Chairperson of Council for managing motor vehicle fund among members of board for supervision.

c) Non-life insurance enterprises whose members participate in Board for supervising motor vehicle fund must be independent of life insurance enterprises whose members participate in Board for operating motor vehicle fund to ensure timely assessment and detection of risks that potentially affect effectiveness and principles of managing and using motor vehicle fund.

## **Article 7. Tasks and powers of organizations and bodies related to motor vehicle fund**

1. Tasks and powers of Council for managing motor vehicle fund:

a) be legally responsible to Minister of Finance for managing and operating motor vehicle fund.

b) issue Regulations on operation of Council for managing motor vehicle fund, Board for operating motor vehicle fund and Board for supervising motor vehicle fund.

c) issue specific regulations on managing and using motor vehicle fund; approve estimates and statements of motor vehicle fund.

d) issue decisions on establishing Board for operating motor vehicle fund and Board for supervising motor vehicle fund.

dd) submit reports on approved estimates and statements of motor vehicle fund to Ministry of Finance.

2. Tasks and powers of Board for operating motor vehicle fund:

a) be legally responsible to Council for managing motor vehicle fund for managing, using, paying and settling motor vehicle fund.

b) comply with regulations on managing and using motor vehicle fund according to plan approved by Council for managing motor vehicle fund as specified under this Circular and refrain from using the fund for other purposes.

3. Tasks and powers of Board for supervising motor vehicle fund:

a) supervise activities of motor vehicle fund and guarantee compliance with regulations and law and this Circular.

b) consolidate assessment and recommendations for Council for managing motor vehicle fund regarding financial situations of motor vehicle on a quarter and yearly basis.

c) conduct inspections in terms of management and use of motor vehicle fund at request of Council for managing motor vehicle fund.

## **Article 8. Preparing estimates, accounting and making statements for motor vehicle fund**

### 1. Preparing estimates:

a) Before December 15 each year, Board for operating motor vehicle fund shall prepare estimates of revenues and expenditure of motor vehicle fund consisting of:

- Revenues and expenditures of motor vehicle in current year.
- Revenue and expenditure plans of subsequent years.

b) Board for operating motor vehicle fund shall produce reports on revenue and expenditure estimates of motor vehicle fund to enable Council for managing motor vehicle fund to approve. Revenue and expenditure estimates of motor vehicle fund must be provided for Ministry of Finance (Agency for Insurance Supervisory and Management) and non-life insurance enterprises as soon as the estimates are approved.

c) Expenditure plans according to annual expenditure estimates, other than those specified under Clause 6, Clause 7, Clause 8 Article 5 hereof, that have not been fully implemented by December 31 each year shall be continued in subsequent years.

d) If necessary, Council for managing motor vehicle fund may adjust revenue and expenditure estimates that have been approved at the beginning of the year and inform Ministry of Finance and non-life insurance enterprises.

### 2. Accounting: Board for operating motor vehicle fund must:

a) Organize accounting works and statistical reports according to Law on Accounting, Law on Statistical Reports and guiding documents.

b) Comply with regulations on accounting instruments; settle and make accounts of all revenues and expenditure of motor vehicle fund.

c) Open accounting books to record and store all deriving professional activities related to motor vehicle fund.

d) On a quarterly basis, be responsible for producing revenue and expenditure reports of motor vehicle fund, submitting to Council for managing motor vehicle fund for approval and informing Ministry of Finance in person, via post service or via email.

Quarterly reports: Figure conclusion date shall start from the 1st of the 1st month of the reporting period to the 30th or the 31st of the last month of the reporting period. Deadline for submitting reports shall be 30 days from the date on which a quarter concludes.

### 3. Making statements:

On an annual basis, Board for operating motor vehicle fund is responsible for producing final accounts of motor vehicle fund and submitting to Council for managing motor vehicle fund for approval.

**Article 9. Procedures and application for humanitarian payments and reimbursement of advance payment made by insurance enterprises**

1. Procedures and application for humanitarian payments

a) Procedures for humanitarian payments:

- Victims or heirs thereof (in case the victims decease) or representatives thereof (in case the victims lose legal capacity according to court's decisions or are under 16 years of age) (hereinafter referred to as "aggrieved parties") shall contact motor vehicle fund to receive instruction on preparing application for humanitarian payment.

- Within 1 working day from the date on which request of aggrieved parties, motor vehicle fund is responsible for providing guidelines on preparing application for humanitarian payment specified under Point b Clause 1 Article 9 hereof.

- Within 2 working days after receiving adequate application, motor vehicle fund is responsible for paying the aggrieved parties the humanitarian payment. In case of rejection, motor vehicle fund must provide written explanation.

b) Application for humanitarian payment:

Aggrieved parties are responsible for preparing application for humanitarian payment and be legally responsible for accuracy, adequacy and legitimacy of the application. Application for humanitarian payment consists of:

b.1) In case vehicles causing accidents are not identified:

- Master register of application for humanitarian payment using form under Annex II attached hereto.

- Copies of excerpts of death certificates, death notices, written confirmation of police authorities or assessment results of forensic examining bodies in case victims deceased while mounting vehicles or decease due to accidents.

- Health records in case of organ injury.

- Certified true copies of notice on resolving traffic accidents which specify that vehicles causing the accidents are not identified.

b.2) In case vehicles do not participate in insurance:

- Master register of application for humanitarian payment using form under Annex II attached hereto.

- Copies of excerpts of death certificates, death notices, written confirmation of police authorities or assessment results of forensic examining bodies in case victims deceased while mounting vehicles or decease due to accidents.

- Health records in case of organ injury.

- Certified true copies of notice on resolving traffic accidents.

b.3) In case insurance liability is excluded:

- Master register of application for humanitarian payment using form under Annex II attached hereto.

- Copies of excerpts of death certificates, death notices, written confirmation of police authorities or assessment results of forensic examining bodies in case victims deceased while mounting vehicles or decease due to accidents.

- Health records in case of organ injury.

- Master register of documents rejecting compensation issued by insurance enterprises.

- Certified true copies of notice on resolving traffic accidents.

2. Procedures and application for reimbursement of advance compensation made by insurance enterprises:

a) Procedures for reimbursing advance compensation:

- Insurance enterprises contributing to motor vehicle fund shall submit application consisting of documents mentioned under Point b Clause 2 Article 9 hereof.

- Within 5 working days from the date on which adequate application is received, motor vehicle fund is responsible for reimbursing advance compensation made by insurance enterprises according to Point a Clause 1 Article 27 of Decree No. 03/2021/ND-CP. In case of rejection, motor vehicle fund must provide written explanation.

b) Application for reimbursement of advance compensation:

Insurance enterprises are responsible for preparing application for reimbursement of advance compensation and legally responsible for accuracy, adequacy and legitimacy of the application. Application for reimbursement of advance compensation consists of:

- Application for reimbursement of advance compensation made by insurance enterprises using Form under Annex III attached hereto.

- Certified true copies of written insurance resolution or written insurance rejection of insurance enterprises.

- Detail manifest of accidents where insurance enterprises apply for reimbursement of advance compensation.

### **Article 10. Entry into force**

1. This Circular comes into force from March 1, 2021.

2. This Circular replaces: Circular No. 22/2016/TT-BTC dated February 16, 2016 on Principles, terms, fees and compulsory civil liability insurance of motor vehicle users; Circular No. 103/2009/TT-BTC dated May 25, 2009 on management, payment and settlement of motor vehicle fund; Circular No. 43/2014/TT-BTC dated April 11, 2014 on amendment to Circular No. 126/2008/TT-BTC dated December 22, 2008 of Ministry of Finance, Circular No. 103/2009/TT-BTC dated May 25, 2009 of Ministry of Finance and Circular No. 151/2012/TT-BTC dated September 12, 2012 of Ministry of Finance on amendment to Circular No. 126/2008/TT-BTC and Circular No. 103/2009/TT-BTC.

3. Difficulties that arise during the implementation of this Circular should be promptly reported to Ministry of Finance for consideration./.

**PP. MINISTER  
DEPUTY MINISTER**

**Huynh Quang Hai**

### **ANNEX I**

**COMPULSORY CIVIL LIABILITY INSURANCE OF MOTOR VEHICLE USERS**  
*(Attached to Circular No. 04/2021/TT-BTC dated January 15, 2021 of Minister of Finance)*

<b>No.</b>	<b>Vehicle</b>	<b>Insurance premiums (VND)</b>
<b>I</b>	<b>Motorbikes</b>	



1	50 cc or lower	55,000
2	Above 50 cc	60,000
<b>II</b>	<b>Motorized tricycles</b>	290,000
<b>III</b>	<b>Mopeds (including electric mopeds) and similar vehicles</b>	
1	Electric mopeds	55,000
2	Other vehicles	290,000
<b>IV</b>	<b>Non-commercial automobiles</b>	
1	Automobiles under 6 seats	437,000
2	Automobiles with 6 to 11 seats	794,000
3	Automobiles with 12 to 24 seats	1,270,000
4	Automobiles with more than 24 seats	1,825,000
5	Vehicles for both passenger and cargo transport (pickup trucks, minivans)	437,000
<b>V</b>	<b>Commercial automobiles</b>	
1	Under 6 seats by registration	756,000
2	6 seats by registration	929,000
3	7 seats by registration	1,080,000
4	8 seats by registration	1,253,000
5	9 seats by registration	1,404,000
6	10 seats by registration	1,512,000
7	11 seats by registration	1,656,000
8	12 seats by registration	1,822,000
9	13 seats by registration	2,049,000
10	14 seats by registration	2,221,000
11	15 seats by registration	2,394,000
12	16 seats by registration	3,054,000
13	17 seats by registration	2,718,000
14	18 seats by registration	2,869,000
15	19 seats by registration	3,041,000
16	20 seats by registration	3,191,000

17	21 seats by registration	3,364,000
18	22 seats by registration	3,515,000
19	23 seats by registration	3,688,000
20	24 seats by registration	4,632,000
21	25 seats by registration	4,813,000
22	More than 25 seats	[4,813,000 + 30,000 x (number of seats - 25 seats)]
23	Vehicles for both passenger and cargo transport (pickup trucks, minivans)	933,000
<b>VI</b>	<b>Cargo automobiles (trucks)</b>	
1	Less than 3 tonne	853,000
2	From 3 to 8 tonne	1,660,000
3	From 8 to 15 tonne	2,746,000
4	Above 15 tonne	3,200,000

## **VII. INSURANCE PREMIUMS IN OTHER CASES**

### **1. Vehicles for driving lessons**

Equal 120% of insurance premiums applicable to vehicles of the same types specified under Section IV and Section VI.

### **2. Taxis**

Equal 170% of insurance premiums applicable to commercial vehicles with the same seat number specified under Section V.

### **3. Specialized vehicles**

- Insurance premiums of ambulance equal 120% of those of vehicles that transport both passengers and cargoes (pickup trucks, minivans) for commercial purposes

- Insurance premiums of money trucks equal 120% of those of vehicles with under 6 seats specified under Section IV.

- Insurance premiums of other specialized vehicles mandated by the laws in terms of design weight equal 120% of those of cargo vehicles with the same weight specified under Section VI; insurance premiums of specialized vehicles not mandated by the laws in terms of design weight equal 120% of those of cargo vehicles under 3 tonne.

### **4. Trailer towing vehicles**

Equal 150% of insurance premiums applicable to vehicles above 15 tonne. Insurance premiums of vehicles towing trailers apply to both towing vehicles and trailers.

**5. Tractors and heavy-duty vehicles**

Equal 120% of insurance premiums of cargo vehicles under 3 tonne specified under Section VI (insurance premiums of tractors apply to both towing vehicles and trailers).

**6. Buses**

Equal insurance premiums applicable to non-commercial vehicles with the same seat number specified under Section IV.

*(Insurance premiums mentioned above do not include VAT).*

**ANNEX II**

**APPLICATION FOR HUMANITARIAN PAYMENT**

*(Attached to Circular No. 04/2021/TT-BTC dated January 15, 2021 of Minister of Finance)*

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To: Motor vehicle fund

Full name of applicant:

Permanent resident address: .....

Phone:.....

ID Card/Citizen Identity Card/Passport/other identification document number: ..... date of issue: ..... Place of issue: .....

Relationship with the victim(s): .....

Full name of the victim(s):  
.....

Permanent residence address of the victim(s): .....

Time of accident: .....

Location of accident: .....

Summary of accident:

.....

Party at fault in the accident (if any)	License plate number
	Driver
	Vehicle owner
Insurance enterprise (if any)	Name of enterprise
	Certificate of insurance number
	Effective period

Eligibility for humanitarian financing

- Failure to determine vehicle at fault
- Vehicle not participating in insurance
- Exclusion of insurance liabilities

I hereby assume legal responsibility for accuracy and legitimacy of this application and attachment thereto.

Attached documents:

*(Location and date)*

List all attachments of application for humanitarian payment

**APPLICANT**  
(Signature and full name)

### ANNEX III

APPLICATION FOR REIMBURSEMENT OF ADVANCE COMPENSATION  
*(Attached to Circular No. 04/2021/TT-BTC dated January 15, 2021 of Minister of Finance)*

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To: Motor vehicle fund

Pursuant to Decree No. 03/2021/ND-CP dated January 15, 2021 of the Government on compulsory civil liability insurance of motor vehicle users.

Pursuant to Circular No. 04/2021/TT-BTC dated January 15, 2021 of Minister of Finance on elaborating to Decree No. 03/2021/ND-CP dated January 15, 2021 of the government on compulsory civil liability insurance of motor vehicle users.

We:

- (Full and official name of insurance enterprise)
- With license for establishment and operation No. .... issued by Ministry of Finance on ..... (dd/mm/yyyy).
- Base address:.....
- Phone:.....

Hereby request motor vehicle fund to reimburse the advance compensation that we have made in case the accident is determined to be excluding insurance liabilities or exceeding insurance liabilities as per the law for cases where the accident is subject to a total compensation of VND ....., to be specific:

- The reimbursed advance compensation amount in case the accident is determined to be excluding insurance liabilities is VND ....., equivalent to ..... accidents (number of accidents).
- The advance compensation exceeding insurance liabilities to be reimbursed in case the accident is determined to be within insurance liabilities is VND ....., equivalent to ..... accidents (number of accidents).

We hereby assume legal responsibility for accuracy and legitimacy of this application and attachment thereto.

Attached documents:

List all documents on reimbursement of advance compensation

*(Location and date)*  
**LEGAL REPRESENTATIVE**  
(Signature and stamps)

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