

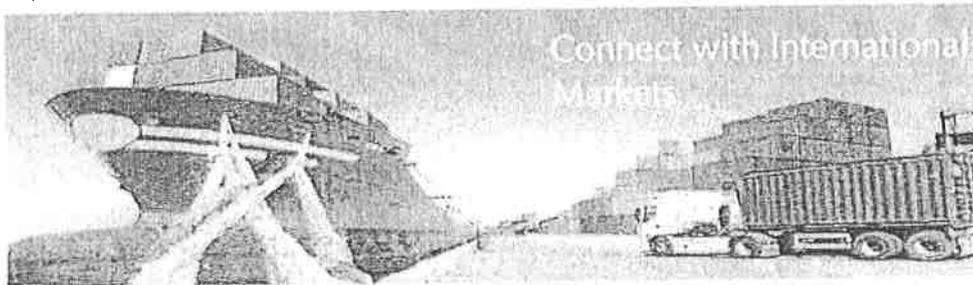
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Wed, 10/17/2018



PRE-SHIPMENT FINANCING

VietinBank finance capitals for Exporting Corporates to buy Inputs material for their production and business activities.

Product Benefits

- Capital financing for production and business activities once trading contracts are secured under the various payment methods such as L/C, D/P, TTR;
- Time saving on receivables management and transferring the tasks of receivable collection to Bank experts, that allows Customers to focus on their production and business.



CORPORATE

- Deposits
- Loans
- Payments and Cash management
- International payment & Trade finance

For Exporting Corporates

Remittance via VietinBank

Export Receivable Collection

Letter of credit (L/C)

Guarantee

Single/Bilateral export factoring

Export financing

Pre-shipment Financing

Post-shipment Financing

For Importing Corporates

For Domestic trading Corporates

• Foreign Exchange & Capital market

• Internet banking service

• Life Insurance

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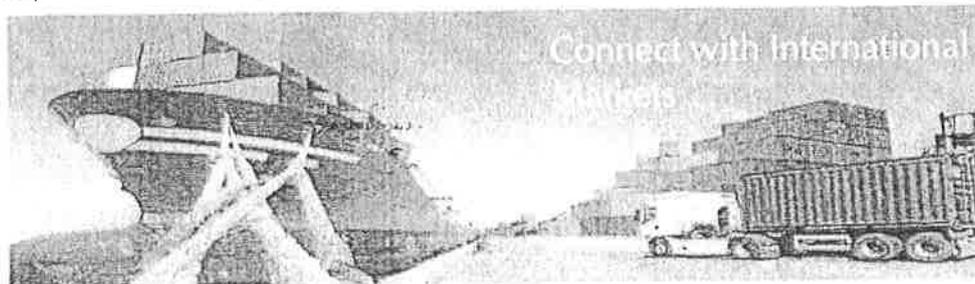
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Wed, 10/17/2018



POST-SHIPMENT FINANCING

What is Post-shipment financing? Why VietinBank? How to apply for Post-shipment financing?

VietinBank makes advances for Exporting Corporates, and send documentations to Issuing / Collecting bank. The discounting is based on the principles of reserving rights to collect from the Exporting Corporates.

Product benefits

- Working capital financing for traditional methods such as: L/C, collection, TTR; improvement on cash flow; ensure of the working capital, increase of the liquidity of the documentation bills.
- Enhanced competitiveness through grant of credit to importers with the acceptance of delayed payment.
- Receivables collection transferred to the Bank experts, which allows Customers to focus on production and business activities.



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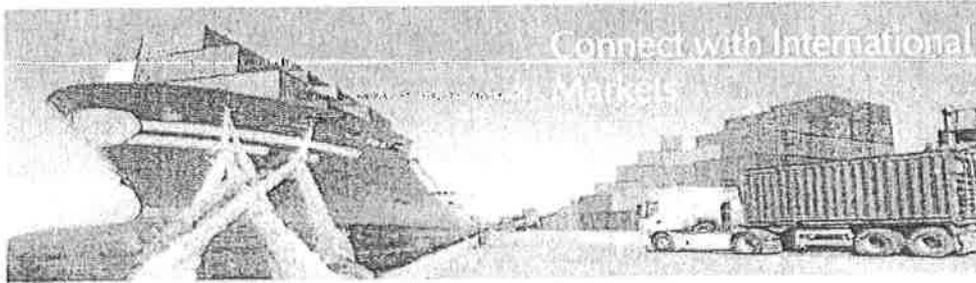
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Wed, 10/17/2018



POST-SHIPMENT FINANCING

Export bill discounting

Pre-shipment financing

Post-shipment financing

VietinBank makes advances for usance receivables (generally within 90 days), based on the export transactions made on the Trade Card * system, starting from the time:

- When a Transporting Company confirms the delivery on Trade Card system;
- When the importer authorizes the payment on Trade Card system.

* Trade Card is a program provided by Trade Card organization to participants engaging in import and export process (especially for textiles), including: Exporters, Importers, Transporting Companies and Banks.



Product benefits

- Corporates can sell on deferred payment terms but still be financed to ensure the availability of capital for production and business activities;
- Time saving on receivables management and transferring the tasks of receivable collection to Bank experts, that allows Customers to focus on their production and business.

CORPORATE

- 🏦 Deposits
- 🏦 Loans
- 🏦 Payments and Cash management
- 🏦 International payment & Trade finance

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Wed, 10/17/2018



POST-SHIPMENT FINANCING

Export bill discounting **Export financing** **Post-shipment financing**

VietinBank finances the supply chain, for both Seller and Buyer based on the commitment payments from the Buyer. With this product, customers will be provided the following services:

- Short-term working capital financing for Seller given the payment acceptance by the Buyer and receivables are transferred to VietinBank;
- Financing for payment obligations for Buyer upon maturity;
- Management of Receivables, Payables, which reduces costs for both the Buyer and the Seller.

Product benefits

For buyers:

- Meeting need of buying with deferred payment;
- Being financed in case of inability to pay upon maturity;
- Save cost in managing and tracking the payables. This product is particularly suitable for buyers with a large number of suppliers.

For sellers:

- Being financed with working capital;
- Reduced collection time for receivables;
- Eliminated or reduced non-payment risk from importers



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PROGRAM-12

Nghị định 142/2005/ND-CP

Decree no. 142/2005/ND-CP of November 14, 2005 on collection of land rents and water surface rents

🏠 (/) > VĂN BẢN PHÁP LUẬT (/CSDL/VAN-BAN-PHAP-LUAT) > THUẾ - PHÍ - LỆ PHÍ (/LINH-VUC/THUE-PHI-LE-PHI)
> NGHỊ ĐỊNH (/LINH-VUC/THUE-PHI-LE-PHI?L=NGHI-DINH)
> NGHỊ ĐỊNH 142/2005/ND-CP (/DECREE-NO-142-2005-ND-CP-OF-NOVEMBER-14-2005-ON-COLLECTION-OF-LAND-RENTS-AND-WATER-SURFACE-RENTS)

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📖 Nội dung 🔍 Lược đồ 📄 Văn bản liên quan ⌛ Lịch sử hiệu lực

E Tiếng Việt (/nghi-dinh-142-2005-nd-cp-thu-tien-thue-dat-mat-nuoc)

Decree no. 142/2005/ND-CP of November 14, 2005 on collection of land rents and water surface rents đã được thay thế bởi **Decree No. 46/2014/ND-CP regulations on collection of land rent and water surface rent** (/decree-no-46-2014-nd-cp-regulations-on-collection-of-land-rent-and-water-surface-rent) và được áp dụng kể từ ngày 01/07/2014.

Nội dung toàn văn Decree no. 142/2005/ND-CP of November 14, 2005 on collection of land rents and water surface rents

THE GOVERNMENT

SOCIALIST REPUBLIC OF VIET NAM
Independence - Freedom - Happiness

No. 142/2005/ND-CP

Hanoi, November 14, 2005

DECREE

ON COLLECTION OF LAND RENTS AND WATER SURFACE RENTS

THE GOVERNMENT

Pursuant to the December 25, 2001 Law on Organization of the Government;
Pursuant to the November 26, 2003 Land Law;
Pursuant to the April 26, 2002 Ordinance on Price;
At the proposal of the Minister of Finance,

DECREES:

Chapter I

GENERAL PROVISIONS

Article 1.- Scope of regulation

This Decree provides for the collection of land rents and water surface rents when:

1. The State leases land.
2. The form of land assignment by the State is changed to the form of land lease.
3. The State leases water surface.

Article 2.- Land rent, water surface rent payers

1. The State shall lease land with annual collection of land rents in the following cases:

a/ Households, individuals:

- Rent land for agricultural production, forestry, aquaculture or salt production.
- **Wish to continue using the agricultural land areas in excess of the assignment limits before January 1, 1999, for which the land use duration has expired under the provisions of Clause 2, Article 67 of the 2003 Land Law.**
- **Use agricultural land in excess of the assignment limits from January 1, 1999 to the effective date of the 2003 Land Law, excluding the land areas acquired from land use right transfer.**
- Rent land for use as ground for construction of production and/or business establishments; for mineral activities; production of building materials or making of pottery articles.
- Use land for construction of public facilities for business purposes.
- Households and individuals not directly engaged in agricultural production, forestry, aquaculture or salt production but assigned land without collection of land use levies shall have to switch to land lease according to the provisions of Point b, Clause 4, Article 82 of the 2003 Land Law.

b/ Economic organizations that rent land for execution of investment projects on agricultural production, forestry, aquaculture or salt production; for use as ground for construction of production and/or business establishments; construction of public facilities for business purposes; construction of infrastructures for assignment or lease; for mineral activities, production of building materials or making of pottery articles.

c/ State enterprises that had been assigned land by the State without collection of land use levies for the purpose of agricultural production, forestry, aquaculture and/or salt production before January 1, 1999, shall have to switch to land lease under the provisions in Clause 2, Article 73 of the 2003 Land Law.

d/ Economic organizations that have been assigned land by the State with collection of land use levies and have paid land use levies or have been transferred land use rights and have paid money for the land use right transfer and such paid land use levies or paid money for the transferred land

use rights belong to the state budget; economic organizations that have purchased assets liquidated, discounted, sold due to bankruptcy, no longer in use, which are attached to land for which land use levies have not yet been paid, shall be entitled to switch to land lease. 130

e/ Other cases to be decided by the Prime Minister at the proposal of ministers, heads of ministerial-level agencies, heads of Government-attached agencies or presidents of provincial/municipal People's Committees.

2. The State shall lease land or water surface with rents collected annually or in lump sum for the whole land or water surface lease term in the following cases:

a/ Overseas Vietnamese, foreign organizations or individuals that rent land for execution of investment projects on agricultural production, forestry, aquaculture or salt production; for use as ground for construction of production and/or business establishments; construction of public facilities for business purposes; construction of infrastructures for assignment or lease; for mineral activities, production of building materials, making of pottery articles; construction of residential houses for sale or lease.

b/ Foreign organizations with diplomatic functions, non-governmental organizations that rent land for construction of working offices.

c/ Economic organizations, family households, individuals; overseas Vietnamese, foreign organizations and individuals that rent water surface, sea surface not belonging to the land groups specified in Article 13 of the 2003 Land Law for execution of investment projects.

d/ Other cases to be decided by the Prime Minister at the proposal of ministers, heads of ministerial-level agencies, heads of Government-attached agencies or presidents of provincial/municipal People's Committees.

Article 3.- Subjects not liable to pay land rents

1. Persons who are assigned land without collection of land use levies under the provisions of Article 33 of the Land Law.

2. Persons who are assigned land with collection of land use levies under the provisions of Article 34 of the Land Law.

3. Organizations or individuals that use land for construction of infrastructures for common use in industrial parks under plannings already approved by competent authorities.

4. Organizations or individuals that are permitted to explore and/or exploit minerals but do not use the surface land layers and do not affect the use of surface land layers shall not be subject to land rents for areas where the surface land is not used.

Chapter II

SPECIFIC PROVISIONS ON LAND RENTS, WATER SURFACE RENTS

Article 4.- Land rent unit

1. The annual land rent unit shall be equal to 0.5% of the land price according to the use purpose of the rented land, promulgated by provincial/ municipal People's Committees (hereinafter referred to collectively as provincial-level People's Committees) in accordance with the Government's Decree No. 188/2004/ND-CP of November 16, 2004, on methods of determining prices and price brackets for assorted land categories.

2. For land of urban centers, commercial or service centers, traffic hubs, concentrated population quarters, which may yield special profits or be used as ground for production, business and/or service activities, provincial-level People's Committee presidents shall base on the local situation to decide on the promulgation of land rent units higher than the set rent units, which, however, must not exceed four times the land rent unit specified in Clause 1 of this Article.

3. For land in deep-lying, remote, highland or island regions, areas facing socio-economic difficulties, areas facing particular socio-economic difficulties; land used for agricultural production, forestry, aquaculture or salt production, land used as ground for production and/or business activities of projects in the domains entitled to investment encouragement or special investment encouragement, provincial-level People's Committee presidents shall decide on the promulgation of land rent units lower than the set land rent units, which, however, must not be lower than half the set rent unit specified in Clause 1 of this Article.

4. Land rent units in case of auction of the rented-land use rights or bidding for projects involving the use of rented land shall be winning bids.

Article 5.- Water surface rent bracket

1. For water surface not specified in Article 13 of the 2003 Land Law, the rent bracket shall be stipulated as follows:

a) Projects involving the fixed water surface use: VND 10,000,000 to 100,000,000/km²/year.

b) Projects involving the non-fixed water surface use: VND 50,000,000 to 250,000,000/km²/year.

2. **The water surface rent for each project shall be decided by provincial-level People's Committee presidents; where the rented sea surface lies within two or more provinces and/or centrally run cities, the water surface rent shall be unanimously agreed upon by the presidents of the People's Committees of such provinces and/or cities; if they cannot reach agreement, they must report such to the Prime Minister for decision.**

3. The Finance Ministry shall guide the determination of sea surface rents for projects on oil and gas exploitation in the territorial waters and continental shelf of Vietnam.

Article 6.- Determination of land rent units for each specific project

1. Based on the land prices promulgated by provincial-level People's Committees under the provisions of the Government's Decree No. 188/2004/ND-CP of November 16, 2004, on methods of determining prices and price bracket for assorted land categories; based on the land rent unit specified in Article 4 of this Decree, provincial-level People's Committees shall promulgate the rent units for each category of land, each type of urban center, type of commune, region, type of street, land position or grade.

2. Based on land rent units set by provincial-level People's Committees:

a/ Directors of provincial/municipal Services of Finance shall decide on the land rent unit for each specific project in cases where economic organizations, overseas Vietnamese, foreign organizations or individuals rent land.

b/ District-level People's Committee presidents shall decide on the land rent unit for each specific project for land-renting households and individuals.

In case of divergent opinions on land rent units between the land lessees and the agencies competent to decide on land rents, the settling decisions of provincial-level People's Committee presidents shall be final.

Article 7.- Determination of land rents, water surface rents

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1. The annual land rent or water surface rent shall be the rented area multiplied by the land rent unit or water surface rent unit.
2. Land rents and water surface rents shall be collected from the date of issue of land lease or water surface lease decisions of competent state bodies; where the time of handing over the land or water surface on the site is different from the time stated in the land lease or water surface lease decisions, the land rents or water surface rents shall be collected from the time of handing over the land or water surface.
3. Persons who are leased land by the State and have advanced money for land compensations or supports shall have such compensation or support money subtracted from the payable land rents; where upon the expiration of the land rent term, the land compensation or support money amounts are not fully subtracted, they shall be further subtracted in the extended land rent duration.

Where the land rent term expires and the State recovers the land, the land compensation or support money amounts not yet fully subtracted shall be compensated for under the provisions of law on compensations and supports when the State recovers land.

Article 8.- The period during which land rent units or water surface rent units are kept stable

1. The land rent unit of each project shall be kept stable for 5 years. At the end of this period, directors of provincial/municipal Services of Finance or presidents of district-level People's Committees shall adjust land rent units for application to the subsequent period. Land rent units applicable to the subsequent period shall be adjusted under the provisions of Articles 4 and 6 of this Decree.
2. The water surface rent unit of each project shall be kept stable for 5 years. At the end of this period, provincial-level People's Committee presidents shall adjust the water surface rent units for application to the subsequent period. Water surface rent units applicable to the subsequent period shall be adjusted under the provisions of Article 5 of this Decree.
3. The land rent units, water surface rent units shall be adjusted in the following cases:
 - a/ Projects for which land rents or water surface rents have been collected for the whole stable period under the provision of Clause 1 or 2 of this Article.
 - b/ Projects which have changed the use purpose of the rented land. In this case, the rent units shall be adjusted according to new use purposes at the time of changing the land use purposes.
4. The land rent or water surface rent adjustment shall not apply to the following cases where:
 - a/ At the time of adjustment of land rent units or water surface rent units by provincial-level People's Committee presidents, the period during which rent units are kept stable has not yet expired, except for the cases specified in Clause 2, Article 9 of this Decree.
 - b/ The land rents or water surface rents have been paid in lump sum for the whole renting terms and at the time of adjustment of land rent units, water surface rent units by provincial-level People's Committee presidents the land rent units or water surface rent units have been already determined and the land rents or water surface rents have been already paid.

Article 9.- Application of land rent units, water surface rent units

1. For projects involving land rent or water surface rent from January 1, 2006, the land rent unit or water surface rent unit specified in Articles 4, 5 and 6 of this Decree shall apply.

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2. For projects involving land rent or water surface rent before January 1, 2006, with the rents being paid annually, the land rent units or water surface rent units shall be redetermined under the provisions of Articles 4, 5 and 6 of this Decree and applied as from January 1, 2006.

3. For cases of land rent or water surface rent before the effective date of this Decree where the land rents or water surface rents have been paid for many years, the land rent unit or water surface rent unit specified in this Decree shall not be redetermined for the duration for which the land rents or water surface rents have been paid. Upon the expiration of such duration, the land rent unit or water surface rent unit shall be redetermined for the subsequent duration as provided for in this Decree.

4. For cases of land rent, water surface rent before the effective date of this Decree where the land rents or water surface rents have been paid in lump sum for the whole renting terms, the land rent unit or water surface rent unit shall not be redetermined under the provisions of this Decree.

5. For cases where competent bodies have permitted the use of rented land use right value (land rents, water surface rents) for contribution of joint-venture or cooperation capital before the effective date of this Decree, the adjustment under the provisions of this Decree shall not be made. Upon the expiration of the duration of joint-venture or cooperation capital contribution with the land use right value, the land rent unit or water rent unit must be redetermined under the provisions of Articles 4, 5 and 6 of this Decree.

Article 10.- Switch from land assignment to land rent for households, individuals

1. Households and individuals that have been assigned agricultural land by the State within the set limits, are allowed to change the land use purpose to non-agricultural production and/or business and select the form of land rent shall be entitled to subtract the agricultural land use right value from the payable land rents provided that the subtracted amounts must not exceed the payable land rent amounts.

2. Households and individuals that have been assigned land by the State with collection of land use levies or transferred the land use rights by lawful land users and now switch to rent land shall be entitled to subtract the land use right value calculated at the land prices set for the assigned-land use purposes or the transferred-land use purposes from the payable land rents provided that the subtracted amounts must not exceed the payable land rent amounts.

Article 11.- Switch from land assignment to land rent for organizations

1. Organizations which have been assigned land and paid land use levies not originating from the state budget, are allowed to change the land use purpose to non-agricultural production and/or business and select the form of land rent shall be entitled to subtract the land use right value from the payable land rent amounts provided that the subtracted amounts must not exceed the payable land rent amounts.

2. Organizations which have been assigned land without having to pay land use levies are allowed to change the land use purpose to non-agricultural production and/or business and select the form of land rent shall pay the land rents according to the provisions of Articles 4 and 6 of this Decree.

3. Organizations which have been lawfully transferred the land use rights and paid for the land use right transfer money not originating from the state budget and now switch to rent land shall be entitled to subtract the land use right value calculated at the land prices at the time of switch to rent land from the payable land rents provided that the subtracted amounts must not exceed the payable land rent amounts.

1. The land compensation or support money subtracted from the payable land rents under the provisions at Clause 3, Article 7 of this Decree shall be calculated at the prices used for calculation of compensation of the category of land having the same use purpose with the compensation or support land, promulgated by provincial-level People's Committees, at the time of subtracting the land compensation or support money.
2. The assigned- or transferred-land use right value subtracted from the payable land rents as provided for in Articles 10 and 11 of this Decree shall be calculated at the prices of the assigned or transferred land at the time of switch from land assignment to land rent, promulgated by provincial-level People's Committees.

Chapter III

LAND RENT, WATER SURFACE RENT EXEMPTION OR REDUCTION

Article 13.- Principles for land rent, water surface rent exemption or reduction

1. For land or water surface rented for execution of investment projects entitled to land rent or water surface rent exemption or reduction, the rent exemption or reduction shall apply on a case-by-case basis.
2. Where the rented land or rented water surface is entitled to both rent exemption and reduction, only the land or surface rent exemption shall be enjoyed; where the land rent or water surface rent is reduced at different levels, the highest reduction level shall be enjoyed.
3. Land rent exemption and reduction shall not apply to cases of auction of land use rights for land lease.
4. Land or water surface rent exemption and reduction under the provisions of Articles 14 and 15 of this Decree shall only apply directly to the lessees and be calculated on the payable land or surface rent amounts.
5. Operational projects enjoying land or surface rent exemption or reduction preferences at levels higher than the levels set in this Decree shall enjoy such preference levels for the remaining duration; in cases where preference levels are lower than the levels set in this Decree, such projects shall be entitled to enjoy the preference levels set in this Decree for the remaining preference duration.

Article 14.- Land rent or water surface rent exemption

Land rents and water surface rents shall be exempted in the following cases:

1. Investment projects in the domains where investment is specially encouraged, which are executed in geographical areas facing exceptional socio-economic difficulties.
2. Projects involving the use of land for construction of condominiums for industrial park workers under projects approved by competent authorities, covering the house-selling prices or house-leasing prices which do not include land rent expenses; projects involving the use of land for construction of students' dormitories with state budget money, for which the units assigned to manage such dormitories may only calculate charges enough to cover expenses for services, electricity and water supply, for management and other relevant expenses and must not calculate

land rent expenses and depreciate the houses; projects involving the use of land for construction of public facilities for business purposes (socialization) in the fields of education, health, physical training, sport, science and technology.

3. Rents shall be exempted in the duration of construction under projects approved by competent authorities; in cases where a project is composed of many construction items or involves independent construction stages, rents shall be exempted according to each item or each independent construction stage; where it is impossible to separately calculate the rent for each construction item or independent construction stage, the construction duration shall be that of the construction item with the largest capital proportion.

4. As from the date of putting projects into operation, specifically as follows:

a/ Three years for projects on the list of domains where investment is encouraged; at new production or business establishments of economic organizations which are relocated under plannings or due to environmental pollution.

b/ Seven years for projects of investment in geographical areas facing socio-economic difficulties; projects on the list of domains where investment is specially encouraged.

c/ Eleven years for projects of investment in geographical areas facing exceptional socio-economic difficulties; projects on the list of domains where investment is encouraged which are executed in areas facing socio-economic difficulties.

d/ Fifteen years for projects on the list of domains where investment is encouraged which are executed in geographical areas facing exceptional socio-economic difficulties.

The lists of domains of investment encouragement, domains of special investment encouragement, geographical areas facing socio-economic difficulties, geographical areas facing exceptional socio-economic difficulties shall comply with the Government's regulations.

5. If projects involving the use of land transferred upon switch to land rent are entitled to land or water surface rent exemption under the provisions of Clauses 1, 3 and 4 of this Article, they shall be exempt from land rent for the remaining duration of land rent exemption.

6. Projects meeting with difficulties and having to temporarily stop construction or operation shall be exempt from land rents or water surface rents for the duration of temporary cessation of construction or operation under certification of the agencies granting investment licenses or business registration certificates.

7. Projects on construction of working offices of foreign diplomatic missions, consulates or representative offices of international organizations in Vietnam under treaties to which Vietnam is a contracting party according to the principle of reciprocity.

8. Other cases to be decided by the Prime Minister at the proposal of ministers, heads of ministerial-level agencies, heads of Government-attached agencies or presidents of provincial/municipal People's Committees.

Article 15.- Land rent, water surface rent reduction

Land rents or water surface rents shall be reduced in the following cases:

1. Land rented for use as ground for production and/or business activities of cooperatives shall be entitled to 50% land rent reduction.

2. For land rented or water surface rented and used for the purpose of agricultural production, forestry, aquaculture or salt production, and suffering from natural disasters or fires which have caused a loss of under 40% of the output, the corresponding land rent reduction shall be considered; if the loss is 40% or over, the land rent shall be exempted for the year of loss. 133

3. For land rented or water surface rented and used for production and/or business purposes other than agricultural production, forestry, aquaculture or salt production, and suffering from natural disasters, fires or force majeure accidents, the land rent or water surface rent shall be reduced by 50% for the duration of temporary cessation of production and/or business.

4. Land rented under projects on construction of working offices of foreign diplomatic missions, consulates or representative offices of international organizations in Vietnam under treaties to which Vietnam is a contracting party or on the principle of reciprocity.

5. Other cases to be decided by the Prime Minister at the proposal of ministers, heads of ministerial-level agencies, heads of Government-attached agencies or presidents of provincial/municipal People's Committees.

Article 16.- Competence to decide on exemption, reduction of land rents, water surface rents

Tax offices shall base themselves on the cadastral dossiers enclosed with papers evidencing the subjects eligible for land rent, water surface rent exemption or reduction as specified in Articles 14 and 15 of this Decree to determine the payable land rent or water surface rent amounts, the exempted or reduced land rent or water surface rent amounts.

Directors of provincial/municipal Tax Departments shall decide on land rent, water surface rent exemption or reduction for economic organizations, foreign organizations and individuals or overseas Vietnamese that rent land.

Heads of Tax Sub-Departments shall decide on land rent, water surface rent exemption or reduction for land-renting households and individuals.

Chapter IV

LAND RENT, WATER SURFACE RENT COLLECTION, PAYMENT

Article 17.- Land rent- or water surface rent-determining order

1. For cases of new land renting, new water surface renting:

a/ Land renting cadastral dossiers sent by land use right registration offices or natural resources and environment agencies, land or water surface rent rate decisions of provincial-level People's Committee presidents, provincial/municipal Finance Service directors or district-level People's Committee presidents shall serve as bases for tax offices to determine the land or water surface rent amounts to be paid by organizations, households or individuals.

b/ Within 5 working days as from the date of receipt of complete cadastral dossiers sent by land use right registration offices or natural resource and environment agencies, the tax offices must:

- Examine the cadastral dossiers (data), determine the payable land or water surface rent amounts; send written notices on land or water surface rent amounts to payers, clearly stating the payable rent amounts to be paid in lump sum for the whole rent term or to be paid annually, payment time and other contents prescribed by the Finance Ministry. Where there are not enough bases for determining the land or water surface rent amounts, within 10 working days after the receipt of

dossiers, the tax offices must notify the dossier-sending agencies thereof in writing for supplement; after the receipt of complete cadastral dossiers, the time limit of 5 working days shall be counted from the date of receipt of complete supplemental dossiers.

- Compile dossiers for monitoring land or water surface rent payment according forms set by the Finance Ministry; send notices on land or water surface rent payment to payers.

2. For cases of currently using land or water surface rented before this Decree takes effect, which fall into the renting cases defined in Clauses 2 and 3 of Article 9 of this Decree, the tax offices shall base on the current land rent units to sum up and report these cases to provincial/municipal Finance Services which shall assume the prime responsibility for, and coordinate with relevant branches in, adjusting land or water surface rent units according to the provisions of this Decree. Based on the decisions of provincial-level People's Committee presidents, provincial/municipal Finance Service directors or district-level People's Committee presidents on adjustment of land or water surface rent units, the tax offices shall re-determine the payable land rent or water surface rent amounts and issue notices to the rent payers.

3. After the first year of land renting or water surface renting and the payment of land or water surface rent amounts notified in writing to the rent payers, tax offices shall issue notices to rent payers for the subsequent years just before each land or water surface rent payment period. In cases where competent People's Committees adjust the land prices or the bases for calculation of land rents or water surface rents, they must re-determine the payable land or water surface rent amounts and notify the payers thereof for implementation.

Article 18.- Determination of payable land rents, water surface rents

1. In case of annual payment of land rents or water surface rents

a/ For normal cases:

$$\begin{array}{r} \text{Annual} \\ \text{payable} \\ \text{land rent} \\ \text{or water} \\ \text{surface} \\ \text{rent} \end{array} = \begin{array}{r} \text{Land or} \\ \text{water} \\ \text{surface} \\ \text{rent} \\ \text{unit} \end{array} \times \begin{array}{r} \text{Rented land} \\ \text{or water} \\ \text{surface area} \end{array} - \begin{array}{r} \text{Land or water} \\ \text{surface rent} \\ \text{amount} \\ \text{reduced under} \\ \text{Clause 1, Article} \\ \text{15 of this} \\ \text{Decree (if any)} \end{array} = \begin{array}{r} \text{Land compensation} \\ \text{or support money} \\ \text{allocated for one year} \\ \text{and subtracted from} \\ \text{the land or water} \\ \text{surface rent amount} \end{array}$$

b/ Land or water surface rent payment year shall be the calendar year starting from January 1 to the end of December 31. In cases where the first year of land or water surface renting or the last year of land or water surface renting is not composed of full 12 months, the rent of the first or last year of land or water surface renting shall be calculated according to the number of months.

c/ In case of land or water surface rent reduction under the provisions of Clause 2 or 3, Article 15 of this Decree:

$$\begin{array}{r} \text{Payable land or} \\ \text{water surface} \\ \text{rent amount} \end{array} = \begin{array}{r} \text{Payable land or water} \\ \text{surface rent} \\ \text{determined at Point} \\ \text{a, Clause 1 of this} \\ \text{Article} \end{array} - \begin{array}{r} \text{Land or water surface} \\ \text{rent amount reduced} \\ \text{under Clause 2 or 3,} \\ \text{Article 15 (if any)} \end{array}$$

2. In case of lump-sum rent payment for the whole land or water surface renting duration:

					Land or water surface rent amount reduced under Clause 1, Article 15 of this Decree (if any)	Land compensation or support money
Payable land or water surface rent amount	=	Number of land or water surface rent payment years	x	Land or water surface rent unit	x	Rented land or water surface area

Note: The number of land or water surface rent payment years is the total number of years minus the number of land or water surface rent exemption years (if any).

Article 19.- Land or water surface rent collection and payment

1. Land or water surface rents shall be paid in Vietnamese currency (VND); where foreign organizations and individuals or overseas Vietnamese pay land or water surface rents in foreign currencies, they shall convert them into VND (or through a third currency in case of non-availability of direct exchange rates) at the average transaction exchange rates of the interbank market at the time of land or water surface rent payment.

2. The land or water surface rent payment is provided for as follows:

a/ According to the notices sent by tax offices, which are further sent by the natural resources and environment agencies to the land or water surface rent-paying organizations, households or individuals.

b/ Organizations, households and individuals shall pay land or water surface rents strictly according to the notices of tax offices.

3. In case of annual payment of land or water surface rents:

a/ After the first year of rent payment, in the subsequent years, the tax offices shall notify the rent payment directly to rent payers.

b/ Rents shall be paid twice a year, the first payment shall be made before April 1 and the second payment before October 1.

4. The Finance Ministry shall prescribe the forms, vouchers and books for monitoring land rent and water surface rent payment.

Article 20.- Handling of problems in land rent or water surface rent collection

1. In case of overpayment of land rents or water surface rents for the renting duration before the effective date of this Decree:

a/ In case of overpayment in foreign currency, the overpaid amounts shall be converted into VND and carried forward to the subsequent payment period as from the effective date of this Decree.

b/ In case of overpayment in VND, the overpaid amounts shall be carried forward to the subsequent payment period as from the effective date of this Decree.

2. In case of outstanding land rents or water surface rents of the renting duration before the effective date of this Decree:

a/ In case of outstanding rents in foreign currency, the outstanding amounts shall be converted into VND at the exchange rates at the time of rent payment.

b/ In case of outstanding rents in VND, the outstanding amounts shall be paid.

3. Outstanding land or water surface rent amounts must be fully paid in 2006; past this time limit, fines shall be imposed as provided for in Clause 1, Article 22 of this Decree.

Article 21.- Responsibilities of tax offices, natural resource and environment agencies, treasuries and land or water surface rent payers

1. Tax offices:

ä/ To determine land rents, water surface rents and notify them to payers according to the provisions of this Decree.

b/ To urge, guide, inspect all organizations and individuals in payment of land rents or water surface rents into the state budget strictly according to the deadline specified in Article 19 of this Decree.

c/ To clarify queries of rent payers; to settle complaints about land rents or water surface rents.

2. Treasury offices:

- To fully collect rents into the State Treasury according to notices on land rent or water surface rent payment.

- Not to leave the money collection till the following day when the persons who have the responsibility to fulfill the financial obligations have completed the payment procedures.

- Not to refuse the collection for any reason.

3. Natural resource and environment agencies:

a/ To correctly determine the location, position, area and type of rented land.

b/ To bear responsibility for the completeness and legality of the dossiers used as a basis for determination of land rent units and land rents.

c) To certify and fully write the data used as bases for determination of land rent units and land rents.

4. Responsibilities of land or water surface lessees

a/ To pay land rents or water surface rents strictly by the mode and within the time limit stated in the land or water surface renting contracts.

b/ To be fined for late payment as provided for in Clause 1, Article 22 of this Decree if failing to fully pay land rents or water surface rents within the land rent or water surface rent payment time limit.

Article 22.- Sanctions

1. For late payment of land rents or water surface rents into the state budget, a fine of 0.02% of the late paid rent amount shall be imposed for each day of late payment.

2. Those who abuse their positions and powers to deliberately cause difficulties or obstacles to land rent or water surface rent payers or to appropriate or embezzle rent money; falsify dossiers, causing losses to the state budget, shall, depending on the seriousness of their violations, be disciplined, pay compensations or be examined for penal liability according to the provisions of law.

3. Land rent or water surface rent payers violating the provisions of this Decree shall be administratively sanctioned.

Article 23.- Complaints and settlement of complaints

1. Land rent or water surface rent payers may complain about wrong implementation of the provisions of this Decree on land rent and water surface rent collection. Written complaints must be addressed to the agencies which have directly calculated and collected the rents within 30 days as from the date of receipt of notices on land rent or water surface rent payment. Pending the settlement, complainants must pay on time and in full the notified land rent or water surface rent amounts.

2. The settlement of complaints shall comply with the provisions of the Law on Complaints and Denunciations.

Chapter V

ORGANIZATION OF IMPLEMENTATION

Article 24.- The Finance Ministry shall have the responsibility:

1. To guide the calculation and payment of land rents and water surface rents; to guide the procedures and dossiers for land rent or water surface rent exemption or reduction.

2. To set forms of books for management of land rent, water surface rent collection and payment and to decentralize the management of land rent or water surface rent collection and payment in accordance with the decentralization of state budget management and with the land law.

3. To coordinate with the Ministry of Natural Resources and Environment in providing for dossiers, order and procedures for receipt, transfer of dossiers between finance bodies, tax offices and natural resource and environment agencies for determination of land rent or water surface rent amounts on the principle of one agency receiving dossiers for cases of new land renting, change of land use purposes, switch from land assignment, and reception through land use right transfer to land lease.

Article 25.- The Ministry of Natural Resources and Environment shall have the responsibility:

1. To guide the determination of land categories, land use purposes, rented land acreage, other relevant papers on land renting, water surface renting; the switch from land assignment, land reception via land use right transfer to land renting.

2. To reach agreement with the Finance Ministry in guiding dossiers, order and procedures for receipt and transfer of dossiers to the finance bodies and tax offices of different levels for use as bases for determination of land rent or water surface rent units; and determination of land rent or water surface rent amounts.

3. To guide the determination of land location, category and grade, serving as bases for application of land rent units.

Article 26.- Provincial/municipal People's Committees

1. To decide on water surface rents and promulgate land rent units for use as bases for provincial/municipal Finance Service directors or district-level People's Committee presidents to decide on the land rent unit for each specific project.

2. To direct People's Committees of different levels to apply measures for inspecting and supervising the use of land by land or water surface lessees and the collection and payment of land rents and water surface rents in accordance with the provisions of this Decree.

3. To direct the specialized agencies of provincial-level People's Committees to coordinate with tax offices in organizing the management of lessees and the collection of land rents or water surface rents according to the provisions of this Decree.

To inspect and handle cases of violation in declaration and implementation of exemption or reduction for wrong subjects and/or in contravention of regulations, causing damage to the state or land rent payers.

4. To decide on settlement of complaints and denunciations or to decentralize the settlement according to competence of complaints and denunciations about wrong implementation of the provisions on land rent or water surface rent collection in accordance with provisions of the law on complaints and denunciations.

Article 27.- Implementation effect

This Decree takes effect 15 days after its publication in "CONG BAO."

This Decree replaces the provisions on land rent preferences specified in the Government's Decree No. 71/2001/ND-CP of October 5, 2001, on preferences for construction of residential houses for sale and for lease.

The previous regulations on land rent units and land rent collection which are contrary to the provisions of this Decree shall all be annulled.

Article 28.- Implementation responsibility

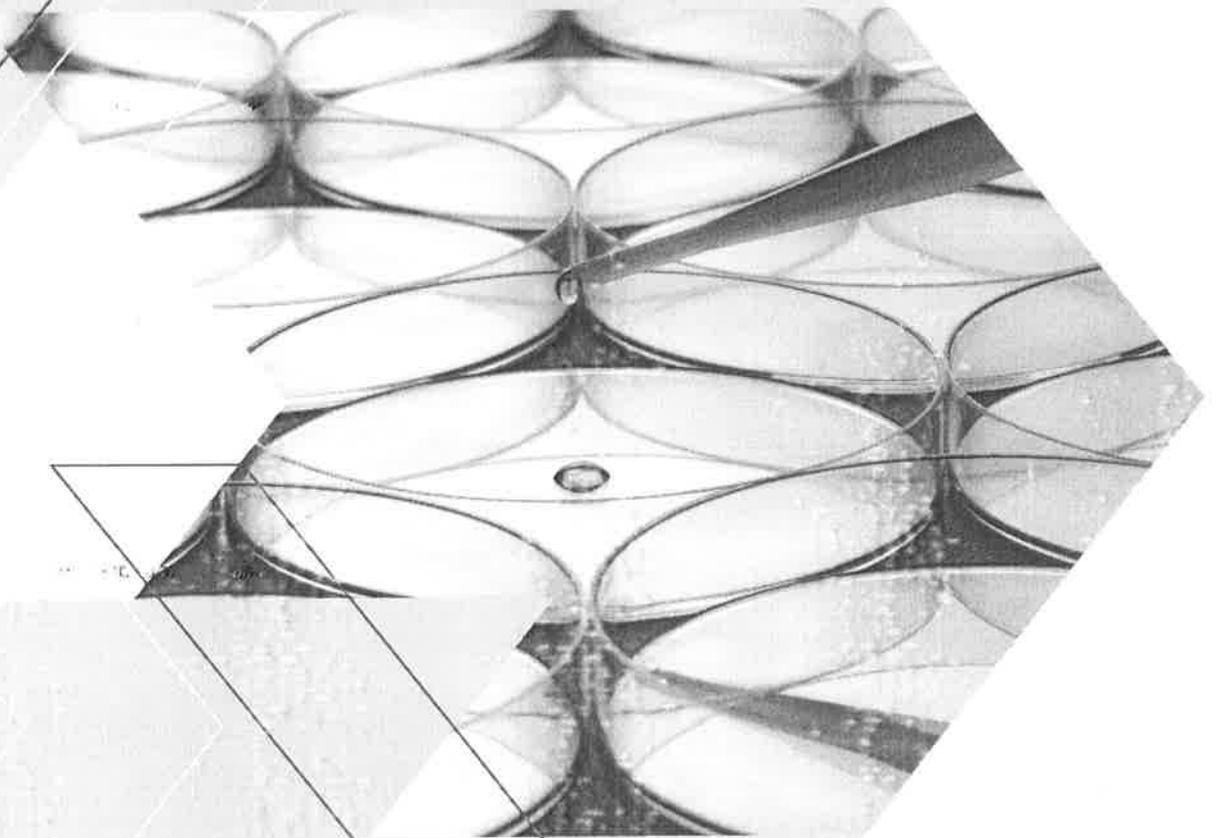
The Finance Minister shall guide the implementation of this Decree.

Ministers, heads of ministerial-level agencies, heads of Government-attached agencies, provincial/municipal People's Committee presidents, and persons leased land or water surface by the State shall have to implement this Decree.

THE GOVERNMENT

Phan Van Khai

RESEARCH AND DEVELOPMENT (R&D) SERVICES



6.1 Main Incentives for Research and Development

(i) Contract R&D Company

A Contract R&D company, i.e. a company that provides R&D services in Malaysia to a company other than its related companies, is eligible for:

- Pioneer Status with income tax exemption of the 100% of the statutory income for five (5) years. Unabsorbed capital allowances as well as accumulated losses incurred during the pioneer period can be carried forward and deducted from the post pioneer income of the company, or
- Investment Tax Allowance (ITA) of 100% on the qualifying capital expenditure incurred within ten (10) years. The allowance can be offset against 70% of the statutory income for each year of assessment. Any unutilised capital allowances can be carried forward to subsequent years until fully utilised.

(ii) R&D Company

A R&D company, i.e. a company that provides R&D services in Malaysia to its related companies or to any other company, is eligible for an ITA of 100% on the qualifying capital expenditure incurred within ten (10) years. The allowance can be offset against 70% of its statutory income for each year of assessment. Any unutilised allowances can be carried forward to subsequent years until fully utilised.

Should the R&D Company opt not to avail itself of the allowance, its related companies can enjoy double deduction for payments made to the R&D Company for services rendered.

Eligibility criteria:

- i. The R&D activities undertaken must comply with the definition of R&D under the Promotion of Investments Act, 1986;
- ii. The R&D activities undertaken must be in accordance with the needs of the country and bring benefits to the Malaysian economy;
- iii. At least 70% of the income of the company should be derived from its R&D services activities. Only R&D services income is to be exempted and income generated from Intellectual Property (IP) if any, is excluded.
- iv. For manufacturing-based research and development, the company must have adequate number of full-time employees working in Malaysia with degree or diploma in technical fields with relevant experience. Those employees must perform research and technical functions and comprise of at least 50% of the company's total workforce.
- v. For agricultural-based research and development, the company must have adequate number of full-time employees working in Malaysia with degree or diploma in technical fields with relevant experience. Those employees must perform research and technical; functions and comprise of at least 5% of the company's total workforce.

- vi. The company must incur adequate amount of operating expenditure annually to support the company in conducting its R&D services activities/business operation in Malaysia. The operating expenditure should include local services for insurance, legal, banking, ICT and transportation; if those services could be sourced from local/domestic service providers. However, this amount shall not include the cost of goods sold, depreciation, interest on borrowings and expenses that are not directly involved in the company's proposed activities.

(iii) In-house R&D

A company that undertakes in-house R&D to further its business can apply for an ITA of 50% of the qualifying capital expenditure incurred within ten (10) years. The company can offset the allowance against 70% (100% for promoted areas) of its statutory income for each year of assessment. Any unutilised allowances can be carried forward to subsequent years until fully utilised.

(iv) Incentives in Reinvestment of R&D Activities

R&D companies/activities mentioned in categories (i) – (iii) are eligible for a second round of Pioneer Status for another five (5) years, or ITA for a further (ten) 10 years, where applicable.

(v) Incentives for Commercialisation of Public Sector R&D

To encourage commercialisation of resource-based R&D findings of public research institutes, the following incentives are given:

- A company that invests in its subsidiary company engaged in the commercialisation of the R&D findings is eligible for a tax deduction equivalent to the amount of investment made in the subsidiary company; and
- The subsidiary company that undertakes the commercialisation of the R&D findings is eligible for Pioneer Status with income tax exemption of 100% of statutory income for ten (10) years.

Eligible Applicant:

- Investing Company (Holding Company)
 - a. company incorporated under the Companies Act, 2016 and resident in Malaysia; and
 - b. locally-owned company with at least 70% Malaysian equity ownership and owns at least 70% of the equity of the company that undertakes the commercialisation of the R&D findings.
- Company Undertaking the Commercialisation Project a. A company incorporated under the Companies Act, 2016; and b. A locally-owned company with at least 70% Malaysian equity ownership.

Applications for tax incentives listed in 6.1 should be submitted to MIDA.

MIỄN PHÍ

- Khai thác hơn 302.000 văn bản Pháp Luật
- Nhận miễn phí bản mới hàng tuần
- Được hỗ trợ tra cứu trực tuyến
- Tra cứu Mẫu hợp đồng, Bảng giá đất
- ... và nhiều Tiềm ích quan trọng khác

Đăng ký

shall be stable for 10 years and the time for stabilization shall be adjusted in accordance with the policy on collection of land rent in case of land lease with annual land rents not in the form of auction price; The adjustment level shall not exceed 30% of the bid-winning land rent rates or the land rent units of the preceding stable period.

(b) Where land rent is paid in lump sum for the whole term of the lease, the land rent shall be the winning unit price of the land lease term. The starting price for auction of the leased land use right shall be determined in accordance with provisions in Paragraph 4 of this Article.

4. Specific land prices shall be determined according to direct comparison, deduction, income and surplus methods prescribed in the Government's Decree on land prices applicable to the following cases:

a / Determining land rent units with annual land rent for the stabilization cycles of the first land rent unit; Determining the land rent unit with the lump sum payment for the entire lease term not through the auction; Determine land rent rates when specializing in land rents with annual land rents, rented with land rents paid in lump sum for the whole lease term as provided for in Clause 2, Article 172 of the Land Law; Determine land rent units upon receipt of transferred assets attached to leased land according to the provisions of Clause 3, Article 189 of the Land Law. The Determining the land rent unit for payment of annual land rent and the land rent unit with land rents paid in lump sum for the whole lease term upon the equitization of State enterprises shall apply in cases where the land area for calculation of land rents is: For land plots or land valued at VND 30 billion or more (based on land prices in land price brackets), for centrally run cities; VND 10 billion or more for mountainous and highland provinces; VND 20 billion or more for the remaining province.

(b) Determining the starting price in the land use right auction for lease in the form of land lease with lump-sum payment for the whole lease term.

5. Specific land prices shall be determined according to the land price-adjustment coefficient prescribed in the Government's Decree on land prices to be applied in the following cases:

a / Determining the land rent unit paying the land rent for the first stable period, determining the land rent unit with lump-sum payment for the whole lease term not in the form of auction; Determine land rent rates when specializing in land rents with annual land rents, rented with land rents paid in lump sum for the whole lease term as provided for in Clause 2, Article 172 of the Land Law; determine land rent units of the transferred assets attached to land lease under the provisions of paragraph 3 of Article 189 of the Land Law; Determining the land rent unit to pay annual land rents, and land rent units paying land rents for the whole lease term when equitizing State enterprises shall apply in cases where the land area for calculation of land rents of the land plots or land areas. The value (calculated according to the land price in the land price index) is below VND 30 billion for centrally-run cities; under 10 billion to the provinces in mountainous, high; less than 20 billion for the remaining province.

(b) Determination of annual land rent units paying land rent upon adjustment of land rent units for the next stable period.

c / Determining the reserve prices in the auction of land use rights for lease in the form of land lease with annual land rent.

Annually, the provincial-level People's Committees shall prescribe the land price adjustment coefficients to apply to the cases specified in this Clause.

6. The Ministry of Finance shall provide specific guidance on this Article.

Article 5.- Determination of land rent rates for construction of underground works

1. For land leased by the State for construction of underground works (other than underground sections of works built on the ground) according to the provisions of the Land Law, land rents are determined as follows:

a / In case of land rent with annual land rents, the land rent rate shall not exceed 30% of the land surface rent unit with the form of land rent payment for annual land rents of the same use purpose.

b / In case of land lease, land rents shall be paid on a lump sum for the whole lease term and land rent unit, which is paid in lump sum for the whole lease term of not more than 30% of the land surface rent unit in the form of land lease with land rent payment, one for the whole lease term with the same use purpose and the duration of land use.

c / Provincial-level People's Committees shall decide on land rent rates for construction of underground works at Point a, Point b of this Clause suitable to local realities.

2. For land used for construction of underground works associated with underground works constructed on the ground but having a part of the construction area of underground works extending beyond the area of land on the surface with the payment of land rent, the rent amount. The payable amount of the excess area shall be determined in accordance with provisions in Paragraph 1 of this Article.

Article 6.- Determining land rent rates for land with water surface of the land group defined in Article 10 of the Land Law

1. Land rent units with water surface are determined as follows:

a / For land areas without water surface, to determine the land rent unit with annual land rent or land rent unit with land rent paid in lump sum for the whole lease term as prescribed in Article 4 of this Decree.

b / For land areas with water surface, the annual land rent unit or land rent unit with land rent payment for the whole lease term shall not be lower than 50% of the annual land rent unit or land rent unit. One-time payment for the lease term of adjacent land of the same use.

c / Provincial-level People's Committees shall prescribe specific charge rates for calculating unit rents stated at Point b of this Clause.

2. The Ministry of Finance shall guide in detail this Article.

Article 7.- Water surface rent bracket

1. Water surface not falling within the scope prescribed in Article 10 of the Land Law and Clause 3 of this Article, the rent bracket is prescribed as follows:

a / Projects using fixed water surfaces: from VND 20,000,000 / km² / year to VND 300,000,000 / km² / year.

750,000,000 / km² / year

2. Based on water surface rent bracket specified in paragraph 1 of this Article, the Commission People Range province determined the water surface rent units for each project. In cases where the leased sea surface is within administrative boundaries of two or more provinces or centrally-run cities, the People's Committees of the provinces and centrally-run cities shall unify the water surface rents; if failing to reach an agreement, report it to the Prime Minister for consideration and decision.

3. The Ministry of Finance shall guide the order and procedures for determining and collecting water surface rents and sea surface rents for oil and gas exploitation projects in the territorial waters and continental shelf of Vietnam.

Article 8. Purpose of leased land

1. The purpose of using leased land is determined according to the purpose stated in the decision on land lease. In case there is no decision on land lease, the purpose of land use is determined in accordance with the land lease contract.

2. For cases where the land lease contract or the land lease contract has not yet been issued yet but the land is used for the purpose of leasing the land in accordance with the provisions of the Land Law, the purpose of land use shall be to determine the rent. Land paid annually for actual use.

Article 9. Land area for lease

1. The area of land for lease is the area stated in the decision on land lease, in case the area stated in the land lease contract is larger than the area stated in the land lease decision, the land area for lease shall be determined according to The land area stated in the land lease contract.

2. The area to be paid land rent shall be determined as the land area for lease minus the land area not subject to land rent payment according to the provisions of law.

3. For cases where the land lease contract or the land lease contract has not yet been issued yet but the land is used for the purposes of leasing land in accordance with the provisions of the Land Law, the area to be leased shall be the land area actually used.

Article 10.- Land lease duration

The duration of land lease is determined according to the decision on land lease, the decision on the recognition of land use rights, the decision on permission to change the land use purpose, the decision permitting the change from land allocation to land lease. Renewal of land lease by a competent state agency or land use right certificate.

Article 11.- The agencies that determine the land rent unit pay the annual land rent or the land rent unit with land rents paid in lump sum for the whole lease term

1. Pursuant to the specific price by Commission provincial people decide, Table of land prices, land price adjustment coefficient and the percentage (%) to determine the land rent rates paid annual rent, the land rent unit shall pay a lump-sum rent for the whole lease term. The director of the Tax Department shall determine the land rent unit for calculation of land rents for organizations, Vietnamese residing overseas, enterprises with capital Foreign investment, Heads of Tax Sub-Departments shall determine land rent rates for calculating land rents for households and individuals.

2. Where there are divergent opinions on the land rent unit between the land lessee and the competent state agency defining the land rent unit, the settlement decision of the provincial-level People's Committee president shall be decided, final.

Article 12.- Determination of land rent or water surface rent

1. For cases of land lease with land rents paid annually

The annual land rent shall be equal to the area subject to land rent multiplied (x) by the land rent specified in Clause 1 of Article 4 (for cases where land rent is not auctioned) or Point a of Clause Article 4 (for cases of land rent auction) or Point a, Clause 1, Article 5 (for land for construction of underground works) or Clause 1 of Article 6 (for cases where land is leased with water surface) of this Decree.

2. For cases of land lease with land rents paid in lump sum for the whole lease term

a / Land rents collected in lump sum for the whole lease term shall be equal to the land area subject to land rent multiplied by the land rent unit with land rent paid in lump sum for the whole lease term.

b / Land rents with a water surface, which are levied on a lump sum for the whole lease term, are equal to the land area with water surface subject to rent multiplied by the rent unit (x).

3. For cases of water surface rent not falling within the scope prescribed in Article 10 of the Land Law

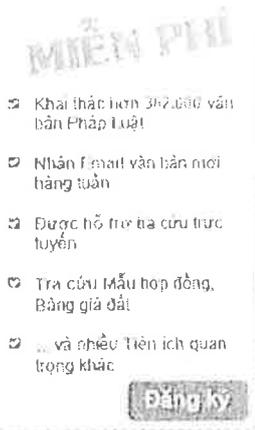
a / For water surface rents paid annually, the water surface rents collected annually shall be equal to the water surface rent multiplied by the water surface rent unit prescribed in Article 7 of this Decree.

b) In case of water surface rent paid for a whole lease term, the water surface rent amount shall be calculated as the water surface rent multiplied by the water surface renting time (x) Article 7 of this Decree.

4. Where an organization economic transferee legal land use rights of organizations and individuals to carry out investment projects in accordance with the planning, plan to use the land but to change the purpose of land use after Upon receipt of the transfer and must fulfill the financial obligation to pay land rent in accordance with the provisions of Article 57 and Article 73 of Land Law, the following shall be dealt with:

a / In case of lawful transfer of agricultural land use right of family households and individuals according to the provisions of the land law, the amount paid by the economic organization for the transfer of the land use right shall be subtracted. The land rent must be paid if the form of land lease is paid in lump-sum payment for the whole lease term or converted into the time when land rent payment has been completed if the form of land lease with land rent payment is selected, annual. The amount of money paid by the economic organization to receive the land use right transfer is determined as follows:

- Where the land price used for calculating the land rent unit is determined by the land price adjustment coefficient, the price of the land type to be transferred shall also be determined by the





surface for the following time period under Articles 4, 5 and 6 of this Decree.

2. Water surface rent units of each project in cases where water surface rents pay annual rents are stable for 5 years counting from the time the water surface rent is decided by the State. At the end of the stabilization period, the provincial level People's Committees shall adjust the water surface rent units applicable to the subsequent time according to the provisions of Article 7 of this Decree.

3. Adjustment of land rent rates and land rent rates for construction of underground works, land rent units with water surface or water surface rent in the following cases:

a / The project has collected land rents and water surface rents for a stable duration as provided for in Clauses 1 and 2 of this Article.

b / For projects on change of land use purposes, the rent unit shall be adjusted according to the new use purpose at the time of change of land use purpose.

4. For cases where the land lease contract or land lease contract has not yet been issued but the land use purpose is subject to land lease in accordance with the provisions of the Land Law of 2013, the land rent unit for calculation of rent The land must be remitted annually in an unstable manner according to the provisions of Clause 1 of this Article.

5. The Ministry of Finance shall guide the order and procedures for adjustment of land rent units and water surface rent units upon the expiry of the stabilization time specified in Clauses 1 and 2 of this Article.

Article 15. Application of land rent, water surface rent unit

1. Projects for renting land and water surface: Land use right transfer projects of land use right transfer organizations; If land is allocated with land use levies, land allocated without collection of land use levies must be converted to land lease but not yet determined and land rent notices have not yet been issued by competent agencies as from the date the decree. The land rent unit or water surface rent unit prescribed in Article 4, Article 5, Article 6 and Article 7 of this Decree shall apply.

2. Projects for renting land or water surface before the effective date of this Decree and in the stable time of land rent unit shall continue to stabilize the land rent unit until the end of the stable period. Where land rent rates are higher than the unit prices prescribed in this Decree, the unit prices set in this Decree shall be adjusted as from January 1, 2015.

3. Projects renting land or water surface with annual rents not falling into the cases prescribed in Clause 7 of this Article, the time of adjustment of land rent or water surface rent units before the effective date of this Decree. No adjustment shall be made in accordance with the provisions of this Decree for the remaining land lease term. For the duration of land use but the land rent unit has not yet been adjusted, the adjustment shall be made according to the policies and law of each period in order to make and settle the land rent.

4. For cases of land rent, water surface rent before the effective date of this Decree, the rent has been paid in lump sum for the whole lease term, the land rent unit or water surface rent unit shall not be re-determined according to the provisions of this Decree.

5. In cases where land rents or water surface rents have been paid before the effective date of this Decree but have been paid in advance for a number of years before land rent or water surface rents, the land rent or water surface rents must not be determined before the deadline for payment of land rents or water surface rents. The land rent unit or water surface rent unit shall comply with the provisions of this Decree. Expired already paid land rent, water surface rent shall determine the rent units of land and water surface rent the next time policy and land prices at the time of adjustment.

6. For cases where the value of the right to use leased land (land rent or water surface rent) contributed to joint ventures and / or associates before the effective date of this Decree is not adjusted according to the provisions of this Decree. Upon the expiration of the duration of capital contribution to joint ventures or joint ventures with the land use right value, the land rent unit or water surface rent unit must be redefined according to the provisions of Articles 4, 5, 6 and 7 of this Decree.

7. For land renting or water surface rent projects before the effective date of this Decree, one of the following three papers: investment certificate (investment license), lease decision. The land lease contract issued by a competent state agency (ies) shall contain the land rent unit or water surface rent unit and the principle of readjustment of the land rent unit shall comply with the regulations on unit rents land and water surface rent of the Ministry of Finance (Decision No. 210A-TC / VP of April 1, 1990, Decision No. 1417 / TC / TCDN of December 30, 1994, Decision No. 179/1998 / QĐ-BTC February 24, 1998, Decision No. 189/2000 / QĐ- B1C of November 24, 2000, Decision No. 1357TC / QĐ-TCT of December 30, 1995):

a / If the land rent unit is not adjusted according to the provisions of Clause 2, Article 9 of the Government's Decree No. 142/2005 / ND-CP of November 14, 2005, the rent unit price may be adjusted, land corresponding to each adjustment cycle according to the percentage (%) adjusting the land rent unit stated in the investment certificate (investment license); Land lease decision or land lease contract.

b) In cases where the land rent rates have been readjusted according to the provisions of Clause 2, Article 9 of the Government's Decree No. 142/2005 / ND-CP of November 14, 2005 or have been granted the change of investment certificates (The investment license), change of the form of land lease contract due to regulations on administrative procedures but the paper is no longer content in the principle of adjustment of land rent unit but the purpose of land use. Unchanged, when adjusting the land rent unit of the next period, the adjustment level shall not exceed the adjusted land rent rate set in one of the three above-mentioned documents. The land rent unit of the previous stable period and applied to the remaining land lease term.

Article 16.- Switching from land lease with land rent payment to land rent with one-off payment for the whole lease term

Economic organizations, households, individuals, Vietnamese residing overseas Foreign invested enterprises which are being leased land by the State pay land rents annually when they switch to land rents to pay land rents. For the whole lease term, the land rent must be paid for the remaining land lease term. The lump-sum land rent unit of the remaining land use duration shall be determined at the time of issuance of the decision permitting the land lease to be paid with lump-sum rent for the lease term and determined according to the provisions of Clause 2, Article 4 of this Decree.

Article 17.- Paying land rent when changing land use purposes

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Where the land price used for calculating the land rent unit is determined by direct comparison, extraction, income and surplus methods, the price of the land acquired shall also be determined according to those methods at the time Points of decision on the change of land use purpose.

b) In case of legally transferred non-agricultural land which is not originated from the land allocated by the State with the collection of land use levies and the land use levies which have not yet been originated from the State budget, to change the land use purpose according to the provisions of Point g, Clause 1, Article 57 of the Land Law and leased land by the State, the amount of money paid by an economic organization to receive the transfer shall be deducted from the payable land rent. Select the form of land lease with one-off payment for the whole lease term. In cases where economic organizations select the form of land lease with annual land rents, the paid money amounts for payment shall be converted into the time when the obligation to pay land rents has been fulfilled at the time of making the decision. State authorities have the right to change the land use purpose.

The amount of money paid by the economic organization to receive the transfer of the land use right is determined by the amount of land rent paid in lump sum for the remaining period of land use as stipulated in this Decree.

(c) Where the land to which the transfer is originated is allocated with land by the State without collection of land use fees but which is not agricultural land or the property is transferred on land attached to land leased with annual payment the land use purpose and the lease of land by a competent state agency, the land rent must be paid according to the provisions of this Decree.

d) In case of receipt of transfer of land use rights with a stable and long-term use duration (other than agricultural land), which have been granted land use right certificates according to the provisions of law before the effective date of the Land Law, 2013 for use for non-agricultural production and business purposes, shall not be subject to land rent.

5. For cases where the land is used concurrently for the purpose of paying land rents, the land use purpose is not subject to land rent payment, the payable land rent shall be determined on the basis of the land area divided according to the use purpose, land.

6. For cases where the land is leased by the State with land rents paid in lump sum for the whole lease term and land rents already paid according to law provisions or when the land use right transfer is lawfully transferred, then such land shall be transferred to If the investor requests the adjustment of the detailed construction planning that results in the financial land (if any), he / she shall have to pay additional land rent to the State budget.

7. For land for the construction of working offices of foreign organizations with diplomatic functions with land lease terms longer than 70 years, land rents shall be paid as follows:

a / In case of land lease with land rent paid annually, the land rent determination and payment shall be conducted in the same way as for domestic organizations leased land by the State.

b) In case of land lease with lump-sum payment of rent for the whole lease term, the payable land rent shall be determined as the land rent must be paid in lump sum for the entire leasing term of the land lease term of 70 years; The remaining land use levies are not required to pay land rent. Determining land prices for calculation of land rents paid in lump-sum for 70 years shall comply with the provisions of the Government's Decree on land prices.

8. For cases where investors delay the implementation of projects according to the provisions of Point i, Clause 1, Article 64 of the Land Law but are permitted by the competent State agencies to extend the land use duration of 24 months, they shall have to pay To add to the State the amount corresponding to the annual land rent payable within the extended duration and be determined according to the provisions of Clause 1, Article 4 and Clause 1, Article 12 of this Decree.

9. The Ministry of Finance shall provide specific guidance on this Article.

Article 13.- Handling of compensation and ground clearance sums

1. For cases where the land development fund advances to organizations in charge of compensation and ground clearance to create clean land funds for land lease through auction or without auction, the compensation and release money The ground shall be treated as follows:

a / In cases where the land rent exemption or reduction is provided for in Article 19 and Article 20 of this Decree, the persons leasing land shall pay the land rent to the State budget according to the provisions of law. The compensation for site clearance compensation for the land development fund shall be paid by the state budget according to the provisions of law on the state budget.

b) In cases where the land rents are exempted for the duration of the land lease term as provided for in Article 19 of this Decree, the persons who are leased land by the State shall have to return the compensation money or ground clearance according to the plan. The state authority shall approve it into the state budget and shall be included in the investment capital of the project.

c) In case of land rent exemption or reduction under the provisions of Articles 19 and 20 of this Decree, the persons who are leased land by the State shall have to pay compensations and ground clearance according to their plans, the competent State authority shall approve it into the state budget and shall be deducted from the payable land rent. The remaining amount if it is included in the investment capital of the project.

2. For cases where the land lease subjects do not go through the auction form and the persons leased land by the State voluntarily pay advances for compensation and ground clearance according to the plans approved by the competent State agencies. The amount of money already advanced shall be deducted from the payable land rent according to the approved plan. The deduction level must not exceed the payable land rent. For the remaining compensation and ground clearance money amounts not yet subtracted from the payable land rent (if any), they shall be accounted into the investment capital of the projects.

3. Compensation and ground clearance expenses specified in Clauses 1 and 2 of this Article include compensation, support and resettlement funds and funding for organizing the compensation and ground clearance.

4. The Ministry of Finance shall provide specific guidance on this Article.

Article 14.- The time for stabilization of land rent units and water surface rents of rented projects shall be paid annually

1. The land rent unit, the land rent unit for construction of underground works and the land rent unit with water surface paid annually for each project shall be stabilized 05 years counting from the time the land is leased by the State. Permits for conversion of land use purpose, transfer from land allocation to land lease, recognition of land use rights. At the end of the stabilization period, the

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a / In cases where the land is transferred from agricultural land or non-agricultural land assigned by the State without collection of land use levies to non-agricultural land leased by the State, the land rent must be paid annually or land rents must be paid times for the whole lease term by type of land after the change of land use purpose.

b) In case of conversion of land use purpose among land categories specified at Point g, Clause 1, Article 57 of the Land Law with the same land use form, which is rented with land rents paid in lump sum for the whole leasing term, Land lease is equal to the difference between the land rent of the land category after the conversion of the land use purpose and the land rent of the land category before the change of land use purposes corresponding to the remaining land use duration. In cases where the land use purpose is the same as the land use levy payment, the land rent must be paid after the change of land use purpose according to the provisions of this Decree.

2. Upon the extension of the land use duration, the land users being liable to pay the land rent shall fulfill their financial obligations for the extended duration in accordance with the legal policy at the time of extension.

3. The Ministry of Finance shall provide specific guidance on this Article.

Item 2: EXEMPTION, REDUCTION OF LAND RENT, WATER SURFACE RENT

Article 18.- Principles for land rent or water surface rent exemption or reduction

1. Exemption from or reduction of land rent or water surface rent shall be paid for each investment project associated with the new land lease.

2. Where the lessees and water surface renters are also eligible for land rent or water surface rent exemption and are eligible for land rent or water surface rent reduction after receiving the land rent and rent exemption preferences Water surface shall continue to be entitled to reduction of land rent or water surface rent as prescribed for the next land lease term (if any); In case of enjoying different reductions in land rent or water surface rents, they shall enjoy the highest reduction.

3. Exemption from or reduction of land rents and water surface rents under the provisions of Articles 19 and 20 of this Decree can be made directly to subjects rented by the State and calculated on the land rents or water surface rents, must turn in.

4. For projects in operation which enjoy incentives in terms of land rent or water surface rent exemption or reduction higher than the provisions of this Decree, they shall continue enjoying the preferential rates for the remaining period; In cases where the incentive levels are lower than those prescribed in this Decree, they shall enjoy the provisions of this Decree for the remaining incentive duration as from the effective date of this Decree.

5. Land or water surface rent exemption or reduction shall not apply to projects for exploitation of mineral resources.

6. Land lessees and water surface renters shall be entitled to land and water surface rent exemption or reduction only after completing the procedures for exemption or reduction according to regulations.

7. Where the land rent or water surface rent has been permitted by competent state agencies to exempt or reduce land rent or water surface rent under the provisions of this Decree but in the course of land management and use Satisfying the conditions for exemption or reduction of land rent or water surface rent caused by the lessee or the use of land not for the right purpose stated in the land lease decision or land lease contract but not in cases where land is recovered under the provisions of the land legislation, the land rent amounts already refunded or exempted shall be refunded to the state budget and the land rents to be exempted or reduced under the land rent exemption or reduction as prescribed, of the law on tax administration.

8. Where the person who is leased land by the State pays a lump sum for the whole lease term and is entitled to the land rent exemption but during the lease term, he / she wishes to pay the land rent the land-related financial services and the land-rights and obligations as for cases where land rent is not exempt.

Article 19.- Exemption from land rent or water surface rent

1. Land rent, water surface rent shall be exempt for the whole lease term in the following cases:

a / Investment projects in the domains eligible for special investment incentives shall be invested in areas with exceptionally difficult socio-economic conditions.

b / For projects using land for construction of dwelling houses for workers in industrial parks, under projects approved by competent authorities, the investors shall not be allowed to calculate land rent expenses into house rents.

c / Projects on the use of land for the construction of student dormitories with state budget money or units assigned to manage the use of dwelling houses shall not be allowed to calculate land rent expenses into house rent rates.

d / Agricultural production land for ethnic minority people; Land for protection forest plantation, land encroachment forest.

e / Land for construction of non-business works of public non-business organizations; Land for construction of scientific research establishments of science and technology enterprises, if meeting the relevant conditions (if any), including: land for construction of laboratories, land for building technology incubators and to create scientific and technological enterprises, land for the construction of experimental establishments, land for the construction of experimental production establishments.

e) Land for the construction of establishments or works providing aviation services, excluding land for the construction of establishments or works in service of aviation service business.

g / Agricultural cooperatives use land as ground for construction of cooperative's premises, drying yards and warehouses; To build direct service establishments in service of agricultural production, forestry, aquaculture and salt production.

h / Land for construction of maintenance stations, repair yards and parking lots (including ticketing sections, executive management zones and public service areas) for public passenger transport activities according to regulations of the law on road transport.

i) Land for construction of water supply works includes: Works on water supply and drainage, pipelines and works on water supply pipelines and works in support of management and operation of water supply systems (houses, administrative, manager, operator, warehouse, equipment store)

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Clause 2, Article 149 of the Land Law

2. Land rents and water surface rent exemption shall be exempt during the time of capital construction under projects approved by competent authorities but must not exceed 3 years as from the date of issuance of decisions on land or water surface rent. In cases where the lessee uses land for agricultural production (perennial tree planting) under a project approved by a competent authority, the duration of capital construction shall be exempt from land rent applicable to each. The type of plant follows the technical process of planting and tending of perennial trees stipulated by the Ministry of Agriculture and Rural Development. The exemption of land rent and water surface rent during the capital construction period shall be implemented in accordance with the project associated with the new land lease by the State, transfer from land assignment without collection of land use levy to land lease, excluding in case of investment in construction and renovation.

3. Land rents and water surface rent exemption after the duration of land rent exemption or water surface rent exemption under the provisions of Clause 2 of this Article is specified as follows:

a / Three (3) years for projects on the list of domains eligible for investment preferences; For new production and business establishments of economic organizations which are relocated under plans and relocated due to environmental pollution.

b / Seven (7) years for investment projects in geographical areas with difficult socio-economic conditions.

c / Eleven (11) years for investment projects in geographical areas with exceptionally difficult socio-economic conditions; Investment projects in the list of fields of special investment incentives; Projects on the list of investment incentive domains invested in geographical areas with difficult socio-economic conditions.

d / Fifteen (15) years for projects on the list of domains eligible for investment preferences in geographical areas with exceptionally difficult socio-economic conditions; Projects on the list of domains eligible for special investment incentives invested in geographical areas with difficult socio-economic conditions.

The list of domains eligible for investment incentives, domains eligible for special investment preferences, geographical areas with difficult socio-economic conditions and geographical areas with exceptionally difficult socio-economic conditions shall comply with the regulations of the law on investment.

The list of geographical areas eligible for land rent preferences shall apply only to geographical areas with specific administrative boundaries.

4. The land rent exemption in economic zones and hi-tech parks shall comply with the Government's or the Prime Minister's regulations on investment preferences for economic zones and hi-tech parks.

5. Projects on the construction of working offices of foreign diplomatic missions and consulates and representative offices of international organizations in Vietnam according to treaties to which Vietnam is a contracting party, Exemption from land rent for implementation of a treaty pledged or on the principle of reciprocity.

6. Projects assigned land by the State with land use levies before July 1, 2014, which are enjoying the land use levies when they switch to land lease shall continue to be exempt from land rent for the time being, remaining land use.

7. The land rent exemption for projects using land for construction of public works for business purposes (social goods) in the fields of education, vocational training, healthcare, cultural, sports, environment. To comply with the Government's regulations on policies to encourage the socialization of activities in the fields of education, vocational training, health care, culture, sports and the environment.

8. The land rent exemption for investment projects in agriculture and rural areas shall comply with the Government's regulations on investment incentives in agriculture and rural areas.

9. Land rent shall be exempt until the end of 2020 for agricultural land within the quota prescribed by law for each region for farmer households, agricultural farmer's quarters and cooperative members who receive land assignment contracts. For agricultural production cooperatives and enterprises, they must shift to lease land and sign land lease contracts with competent state agencies according to the provisions of the Land Law.

10. The Prime Minister shall consider and decide on exemption from land rent in other cases submitted by the Minister of Finance on the basis of the proposals of the ministers, the heads of the ministerial-level agencies, the heads of the agencies attached to the Government, Presidents of provincial-level People's Committees.

Article 20.- Reduction of land rents and water surface rents

1. Reduction of land rents and water surface rents in the following cases:

a / Cooperatives rent land for use as ground for production and business may enjoy a 50% reduction of land rent.

b / Land rents, water surface rents for use for agricultural, forestry, aquacultural or salt production which suffer from natural calamities or fires which cause losses of under 40% shall be considered for reduction of rents, response: Loss of 40% or more shall be exempt from the rent for the year of damage.

c / Land lease or water surface rent for use for production and / or business purposes other than agricultural, forestry, aquacultural or salt production or not specified in Clause 2 of this Article. Being affected by natural calamities, fires or force majeure, 50% of the land and water surface rents shall be reduced during the period of stopping production and business activities.

2. The reduction of land rent in economic zones and hi-tech parks shall comply with the Government's or the Prime Minister's regulations on investment preferences for economic zones and hi-tech parks.

3. The reduction of land rent for investment projects in agriculture and rural areas shall comply with the Government's regulations on investment incentives in agriculture and rural areas.

4. Projects on the construction of working offices of foreign diplomatic missions and consulates and representative offices of international organizations in Vietnam according to treaties to which Vietnam is a contracting party, the reduction of land rent to implement the treaty pledged or on the principle of reciprocity.

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level agencies, the heads of the agencies attached to the Government, Presidents of the People's Committees of the provinces and centrally-run cities.

Article 21.- Competence to determine and decide the land rent or water surface rent amounts to be exempted or reduced

1. Basing itself on the dossiers and papers evidencing the subjects entitled to land rent or water surface rent exemption or reduction prescribed in Articles 19 and 20 of this Decree, the tax authority shall determine the land rents and surface rent amounts and the land rent and water rents to be exempted or reduced, specifically:

- a) Tax Department issued a decision of the land rent, water surface rent exemption or reduction for organizing economic ; Foreign organizations and individuals and Vietnamese residing overseas,
- b / Heads of Tax Sub-Departments shall issue decisions on land rents and water surface rents to be exempted or reduced for landless households and individuals.

2. The Ministry of Finance shall guide the order and procedures for exemption from or reduction of land rents and water surface rents prescribed in this Article.

Item 3: LAND RENT COLLECTION, WATER SURFACE RENT

Article 22.- Order of determining land rents or water surface rents

1. Based on the cadastral file (information on area, location, purpose, form of land lease, duration of land lease) on land lease, water surface lease; To decide on land prices, land surface prices, land rent rates for construction of underground works and water surface rents of provincial-level People's Committees; Land price index (%); and coefficient of land price adjustment stipulated by provincial people's committee; The tax authorities shall organize the determination and payment of land rent and water surface tax, specifically as follows:

a / Within 5 working days after receiving complete cadastral dossiers as prescribed; The tax office shall determine the unit price, calculate the land rent and water surface rent amount and issue a notice on land rent or water surface rent sent to the obligor.

b / Where there is not enough ground to determine the land rent or water surface rent amount, within 5 working days after receiving the dossier, the tax agency shall have to notify such in writing to the sending agency to supplement; After completing the cadastral dossiers, the time limit for completion is 5 working days, counting from the date of receiving complete dossiers.

2. Annually, the tax offices shall announce the payment of land rents and water surface rents directly to the payers of land rents and water surface rents. If the land rent or water surface rent is changed, the payable land rent or water surface rent must be re-determined , then notified to the obligee.

3. After the land and water surface rent unit is stabilized, the tax office shall notify the land lessee to adjust the land rent or water surface rent unit for the next stable period as prescribed by law, the law at the time of adjustment.

4. The tax agencies shall compile dossiers for monitoring the situation of land rents and water surface rents collection and payment according to the form set by the Ministry of Finance.

Article 23.- Determination of payable land rents or water surface rents in cases where land rents or water surface rents are exempted or reduced

1. In cases where land rents or water surface rents are paid annually

a / For cases of land rent or water surface rent exemption specified in Article 19 of this Decree; The amount of land rents and water surface rents to be paid at the time of commencement of payment of land rents or water surface rents after the expiration of the land rent exemption duration is determined as follows:

$$\text{Land rent, water surface rent} = \frac{\text{The annual land rent or water surface rents at the time of commencement of land or water surface rent payment}}{\text{The land area must pay land rent or water surface rent}}$$

b) For cases of reduction of land rents or water surface rents (if any) according to the provisions of Article 20 of this Decree

$$\text{Land rent, water surface rent} = \frac{\text{The annual land rent, water surface rent} \times \text{The land area must pay land rent or water surface rent}}{\text{The rent reduction in accordance with Article 20 of this Decree (if any)}}$$

c) For cases of voluntary advance payment of compensation and ground clearance according to the provisions of Clause 2, Article 15 of this Decree, after subtracting the amounts to be exempted or reduced according to the provisions at Points a and b of this Clause , the investor shall continue to be entitled to deduct the amount of compensation and ground clearance already advanced in the payable land rent and convert the number of years and months to complete the financial obligation to pay the land rent according to the following formula:

$$n = \frac{\text{The amount of compensation and ground clearance has been advanced according to the plan approved by the competent state agency}}{\text{Land rent , water surface rent must be paid of year}}$$

n: Number of years, month not subject to land rent or water surface rent

2. In cases where land rents or water surface rents are paid in lump sum for the whole lease term,

a / For cases of land rent exemption specified in Article 19 of this Decree

$$\text{Land rent, water surface rent} = \frac{\text{The rent unit or water surface rent collected once after the deduction time is reduced according to the provisions of Article 19 of this Decree.}}{\text{The land area must pay land rent or water surface rent}}$$

b / For cases of land rent reduction specified in Article 20 of this Decree

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reduced according to the provisions of Article 20 of this Decree

c / For cases of voluntary advance payment of compensation and ground clearance according to the provisions of Clause 2, Article 13 of this Decree, after subtracting the amounts to be exempted or reduced according to the provisions at Points a and b of this Clause, the investor shall be entitled to continue deducting compensation and ground clearance money advanced in accordance with the plan approved by the competent authority on the payable land rent according to the following formula:

Land rent, water surface rent	Land rents and water surface rents must be paid after deducting the exempted or reduced amount according to the provisions at Points a and b of this Clause	The amount of compensation and ground clearance has been voluntarily advanced in accordance with the plan approved by the competent state agency
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Article 24.- Land rent and water surface rent payment

1 Land and water surface rents paid into the State budget in Vietnam dong (VND); In cases where foreign organizations and individuals or overseas Vietnamese pay land rents or water surface rents in foreign currencies, such amounts shall be converted into VND at the time of submission.

2 The payment of land rents and water surface rents is prescribed as follows:

a / Tax offices shall send notices on land or water surface rent payment to land lessees or water surface renters; and at the same time, send it to the land use right registration office or the natural resources and environment agency.

b / The land renters and water surface renters must pay land rents or water surface rents strictly according to the provisions of the tax agencies' notices.

3 In cases where land rents, water surface rents are paid twice a year, the rent shall be paid twice a year: The minimum period shall be paid at least 50% by May 31; the second day before October 31 every year.

4 In case of land rent, water surface rent paid once for the whole lease term

a / Within 30 days after signing the land rent or water surface rent notice of the tax office, the land lessee must pay 50% of the land rent according to the notice.

b / Within the next 60 days, the land lessee shall have to pay 50% of the remaining land rent or water surface rent under the Notification.

c / Past the time limit specified at Points a and b of this Clause, persons whose land is leased by the State but have not fully paid the land rent according to the tax agency's notice, shall have to pay the late money amounts Law provisions on tax administration.

5 The Ministry of Finance shall provide declarations, vouchers and books for monitoring the payment of land rents and water surface rents.

Article 25.- Responsibilities of agencies, land rent payers, water surface renters and aviation port authorities

1. Financial agency:

a / To assume the prime responsibility for elaborating and submitting to the provincial- level People's Committees for promulgation the land price adjustment coefficients according to the provisions of Clause 5, Article 4 of this Decree, the specific percentage (%) for determining the land rent unit according to each area and route corresponding to each land use purpose .

b / To assume the prime responsibility for determining and submitting to the provincial- level People's Committees for prescribing the percentage (%) for calculation of land use levy for land for construction of underground works, land with water surface or water surface rented.

c / To assume the prime responsibility for determining the amounts to be subtracted from the payable land rents or water surface rent amounts.

d / Being the standing body of the land price-assessment councils in localities, shall have to organize the appraisal of specific land prices for calculation of land rents at the proposal of natural resources and environment agencies. In cases prescribed in Clause 4, Article 4 of this Decree, to report such to the land price-assessment councils in localities for consideration before submitting them to the provincial- level People's Committees for decision.

2 The natural resources and environment: Van rooms registered land

Determining the location, area, type of land, purpose of land use, duration of land lease, water surface lease, which shall serve as basis for the tax authority to determine the rent unit and the amount of land rent or water surface rent submit.

3 Tax authorities:

a / Determining land rent rates, Determining the land rent amount, land rent for construction of underground works, land rents with water surface and water surface rents, and notifying the payers according to the provisions of this Decree.

(b) Determination of land rent and land rent and notify airport authorities of the collection of land rent by organizations and individuals that are entitled to rent land and water surface in airfield areas, airport.

c / Organizing, guiding, examining, answering questions, settling complaints about land rents and water surface rents collection and payment according to the provisions of law on tax administration.

4. Treasury Department:

a) To fully collect the land rent and water surface rent amounts into the State Treasury according to the land rent or water surface rent notices and not be refused for any reason.

b / It is forbidden to transfer the collection to the next day after receiving full payment procedures from the persons responsible for performing the financial obligations.

5. Airport Authority:

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of the Land Law 2013.

b / The airport authority is authorized to collect land rents or water surface rents from organizations and individuals that are entitled to rent land and water surface in airports and airfields according to the provisions of law on tax administration.

c / To urge organizations and individuals to lease land in airports and airfields to pay land rents strictly according to the mode and duration inscribed in land lease contracts.

5. Land lessees, water surface renters:

a / To make land and water surface rent declarations according to the provisions of the Tax Administration Law and guiding documents.

b) To pay land rents and water surface rents according to the modes and terms stated in the land rent or water surface rent contracts

c / Past the time limit for land rent or water surface rent payment according to notices of tax offices, which fail to fully pay land rents or water surface rents, the late payment shall be paid under Article 26 of this Decree.

Article 26.- Handling of late payment of land rent

In case of late payment of land rent or water surface rent into the state budget, the land rent or water surface rent payers shall have to pay the late money amounts. The determination of the deferred payment of land rent, water surface rent comply with the provisions of the Tax Administration Law and the documents guiding the implementation thereof.

Article 27.- Complaints and settlement of complaints

The complaints and resolve complaints about land rents and water surface rents comply with the provisions of the Law on Complaints and documents guiding the implementation thereof. Pending the settlement, the complainants shall have to pay in time and fully pay the land rent or water surface rent amounts already notified by the competent State bodies .

Item 4: RESPONSIBILITY FOR STATE MANAGEMENT OVER COLLECTION, REMITTANCE AND SURFACE TRANSFER

Article 28.- The Ministry of Finance shall have the responsibility

1. To guide the determination and payment of land rents and water surface rents; To guide the procedures, dossiers of application for land rent or water surface rent exemption or reduction; Procedures and dossiers related to the deduction of compensation and ground clearance according to regulations.

2. To prescribe dossiers, declarations, vouchers and book forms for managing the collection of land rents and water surface rents and decentralizing the management of land rent and water surface rent collection and remittance in conformity with the management decentralization state budget and land law .

3. To examine and guide the evaluation of land prices for calculation of land rents according to the provisions of law on prices.

4. To inspect and examine the collection of land rents and water surface rents,

5. To coordinate with the concerned ministries and branches in reviewing the regulations on land rent exemption or reduction for subjects not defined in Articles 19 and 20 of this Decree and report thereon to the Government or the Prime Minister for consideration. Consider and handle in accordance with the provisions of the Land Law.

6. To assume the prime responsibility for, and coordinate with the Ministry of Natural Resources and Environment in, providing dossiers, order and procedures for the receipt and transfer of dossiers between financial agencies and tax offices to natural resources and environment agencies. Determining and collecting land rents and water surface rents.

Article 29.- The Ministry of Natural Resources and Environment shall have the responsibility

To coordinate with the Ministry of Finance in guiding dossiers, order and procedures for receipt and transfer of dossiers between financial agencies, natural resources and environment agencies, tax offices and state treasuries of all levels, to pay land rents and water surface rents.

Article 30.- Provincial-level People's Committees shall have the responsibility

1. To promulgate land price indexes, land price adjustment coefficients, percentages of land rent calculation units, rates of land for construction of underground works, land use charge levels and price decisions specific land used as a basis for calculating land rent; to decide on water surface rent units defined in Article 7 of this Decree for each specific project.

2. Direct functional agencies to expeditiously complete land-related legal dossiers for organizations, households and individuals currently using land but without land lease or land lease contracts.

3. Direct the People's Committees at all levels in applying measures to inspect and supervise the use of land by subjects leasing or leased land by the State and the collection of land rents and water surface rents according to regulations. The provisions of this Decree

4. To direct professional bodies under provincial-level People's Committee to coordinate with tax offices in organizing the management of subjects renting and collecting land rents and water surface rents according to the provisions of this Decree.

5. To direct the inspection and handling of cases of wrong-doings in declaration and implementation of exemption or reduction of wrong subjects or regimes causing damage to the State as well as land rent payers.

6. To settle complaints and denunciations about the collection of land rents and water surface rents according to the provisions of the legislation on complaints and denunciations.

Article 31. Transition provision

1. Economic organizations , households, individuals and overseas Vietn these that fall under the case of land lease in accordance with the provisions of the Land Law in 2013 shall be allocated land by the State and paid land use levy before The Land Law 2013 will be effective for the remainder of the land using the remaining land use term instead of transferring to land lease. The expiration of land use if the state agency authorized the extension under the provisions of Paragraph 1 of Article 63 of the Law on Land belt must be leased and land rents payable under the provisions of this Decree.

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use fees before the effective date of Land Law 2013. If there is a need to switch to land lease, the land rent shall not be paid for the remaining land use term.

3. Economic organizations, households, individuals and overseas Vietnamese that fall under the case of land lease in accordance with the provisions of the Land Law of 2013, have been allocated land by the State without collection of land use fees. On the effective date of this Law, the land shall be leased from the effective date of the Land Law 2013 as provided for in Paragraph 2 of Article 60 of the Land Law 2013 and payable as land rent. This Decree

4. Vietnamese residing overseas or foreign-invested enterprises which are leased land by the State shall pay land rents once for the whole lease term for execution of investment projects on construction of dwelling houses for sale or sale and lease before the effective date of Land Law 2013 if there is a need to transfer to land with the collection of land use fees in accordance with the provisions of the Land Law 2013 shall comply with the policy of land allocation with revenue land use fees.

5. Where an economic organization has received transfer of agricultural land use legitimate of households and individuals have been allocated State-of-charge to carry out investment projects on agricultural production before the Law on Land The 2013 budget will remain in effect for the remainder of the project and will not be required to pay land rent for the remainder of the project. Upon the expiration of the project duration, if they continue to have land use demands, they must switch to rent land and pay land rent according to the provisions of this Decree.

6. For cases where the land is leased and the tax office has promulgated the notice of land rent payment before the effective date of Land Law 2013 but by the time this Decree takes effect, the land lessee Failure to fulfill financial obligations under the notice shall be dealt with as follows:

a / In case of land lease with lump-sum payment for the whole lease term, the land rent shall continue to be paid according to the tax amounts already notified by the tax offices and must be paid according to the levels prescribed in the Tax Administration Law and other documents, Implementation Guide.

b) Where the land rent paid annually, they can continue to pay land rents by number were tax authorities notified by the end of 2014 and to pay fines for late payment in accordance with the provisions of the Law on Tax Administration and the office of To guide the implementation of the period for which the land rent has not yet been paid according to the notices of the tax offices.

7. Economic organizations, households, individuals and overseas Vietnamese who invest in production and business in economic zones assigned or leased land by the State. Other Vietnamese economic organizations and overseas Vietnamese before the effective date of Land Law 2013 shall be entitled to continue using the land for the remaining term of the project and shall not be required to convert to land lease. Upon the expiration of the project implementation duration, if the need arises, the Economic Management Board shall consider leasing land according to the provisions of Article 151 of the Land Law 2013 and pay the land rent according to the provisions of this Decree.

8. Households and individuals who have been allocated by the State rivers and coastal alluvial grounds before the effective date of Land Law 2013 for use in agricultural purposes shall be allowed to continue using them within the time limit land allocation. Upon the expiry of the land assignment duration, if the land use requirements are met, the land use plans and plans shall be complied with and the land law shall not be broken if the land is leased by the State according to the provisions of Article 141 of the Land Law, 2013, the land rent must be paid according to the provisions of this Decree.

9. Economic organizations which have been allocated land by the State without collection of land use fees for use in agriculture, forestry, aquaculture or salt production before the effective date of Land Law 2013 Having to switch to land lease in accordance with Article 133 of Land Law 2013 shall pay land rent in accordance with the provisions of this Decree.

10. If a family household, individual or overseas Vietnamese is in the case of land lease in accordance with the provisions of the Land Law of 2013 and has received lawful land use right transfer before the effective date of this Law, To continue using the land for the remainder of the land use term without transferring it to the land lease in accordance with the provisions of this Law. Upon the expiration of the land use duration, if the competent State body prolongs the time limit, the land lease must be changed and the land rent must be paid in accordance with the provisions of this Decree.

11. Where the investor makes advance payment for ground clearance according to the plan already approved by a competent state agency under the compensation, support and resettlement policy when the State recovers land As stipulated in the 2003 Land Law but not yet fully deducted from the annual land rent payable in accordance with the law in each period, the remaining amount shall be further deducted by the competent authority. The land rent shall be paid on a yearly basis and shall be determined as the number of years and months the land rent has been paid.

12. For projects with land rent paid annually by the State through the auction form prescribed in the Government's Decree No. 129/2010 / ND-CP of December 30, 2010, with good cycles. The land rent shall be set at 10 years, when the 10-year stability period expires, the principle of Decree No. 121/2010 / ND-CP shall be complied with the stable land rent rate of 10 years.

With respect to annual land lease projects in the form of auction of leased land use rights stipulated in the Government's Decree No. 142/2005 / ND-CP dated November 14, 2005 with the stable period of application. The land rent shall be 05 years, the period of stabilization shall be 5 years, The principle of the Decree No. 14 / 2005 / ND-CP shall continue to apply in accordance with the principles stipulated in Decree 112/ 2005 / ND-CP.

Article 32.- Handling of a number of specific issues

1. For cases where investors are leased land by the State for annual payment of land rent for investment in construction and operation of infrastructures in industrial parks, industrial clusters or export processing zones, one of the three types of paper The investment certificate (investment license), the land lease decision, the land lease contract issued by the competent state agency (signed) shall indicate the principle of adjustment of the land rent unit which has been leased. For land with infrastructures in the form of land rent payment made in lump sum for the whole lease term before January 1, 2006, the investors for construction and / or business operation of infrastructures shall have to pay the land rent to the State. Once determined on the basis of time, land area has been subleased, The annual land rent shall be determined by the competent State body at the land rent unit at the time of subleasing land (on principle after each five-year stabilization period, 15% and subtract the annual land rent already paid to the State, determined according to the above-said principle, for this area from the time of land subleasing (if any).

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settlement. If the land rent has been reduced in accordance with these policies and the land rent has not yet expired, the land rent unit shall be applied as stipulated in this Decree and applied as from 1 January 2015.

3. Where land users have not yet been leased land by the competent State agencies or are using land for production and / or business purposes, if they have been notified by the tax offices of the temporary payment of land rents or water surface rents. According to the policy and land price at the time of issuance of the notice on temporary payment before the effective date of this Decree, the land rent shall be paid according to the temporary notice and the adjusted land rent must not be readjusted. As from the effective date of this Decree, the tax office shall determine the amount of land rent to be paid annually (unstable for 5 years) on the basis of the land price in the land price index coefficient of land price adjustment. The percentage (%) of land price used to determine the land rent unit issued by the provincial people's committee, the land area and the land use purpose actually used to inform the land user.

4. For cases where land users have been leased land by competent state agencies before the effective date of this Decree but have not yet adjusted the land rent rates according to the provisions of Decree No. 142 / 2005 / ND-CP dated 14 November 2005, Decree No. 121/2010 / ND-CP dated December 30, 2010 and paid annual land rent according to the tax agency's notice of temporary suspension. The reason is as follows:

a / In case of temporary payment of land rent according to policies and land prices at the time of issuing notices on temporary payment of land rent, the land rents shall be settled according to the temporarily paid amounts.

b / In cases where the land rents are temporarily paid according to policies and land prices before the effective date of Decree No. 142/2005 / ND-CP of November 14, 2005 and fall outside the cases prescribed in Clause 7 Article 15 of this Decree shall adjust the land rent unit, settle the temporarily paid land rent and collect the payable land rent according to regulations.

c) Tax authorities determine and adjust the land rent rates for cases where the provisions defined in point a and point b of this clause as specified in this Decree and applicable from July 1, 2014.

Chapter III

TERMS ENFORCEMENT

Article 33.- Effect of Implementation

1. This Decree takes effect on July 1, 2014.

2. This Decree replaces the Government's Decree No. 142/2005 / ND-CP of November 14, 2005, on collection of land rents and water surface rents; Decree No. 121/2010 / ND-CP of December 30, 2010, amending and supplementing a number of articles of the Government's Decree No. 142/2005 / ND-CP on land rents and rents country.

Article 34.- Responsibility for implementation

The ministers, the heads of the ministerial-level agencies, the heads of the agencies attached to the Government, the presidents of the People's Committees of the provinces and centrally-run cities, the persons leased land or water surface by the State shall have to take This Decree.

TM. THE GOVERNMENT PRIME MINISTER

Nguyen Tan Dung

Recipients:

- Secretariat of the Party Central Committee;
- Prime Minister, Deputy Prime Ministers;
- Ministers, ministerial-level agencies, agencies under the CP;
- People's Councils, People's Committees of provinces and cities under the Central Government - Office of the General Secretary;
- Central Office and the Board of the Party;
- Office of the President;
- Ethnic Council and committees of the National Assembly;
- Congress office;
- Supreme People's Court;
- People's Procuratorate of the Supreme;
- State Audit;
- National Financial Supervision Committee;
- Vietnam Bank for Social Politics;
- Vietnam Development Bank;
- The Central Committee of the Vietnam Fatherland Front;
- Central bodies of mass organizations;
- Government Office: Chairman, POK, General Inspector, General Director of External departments, units, agencies);
- Save Van , KTN (3b), KTT

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CRS 2018 IN

Cold-Rolled Steel Statement of Reasons

Ottawa, September 7, 2018

Concerning the preliminary determinations with respect to the dumping and subsidizing of cold-rolled steel from China, South Korea and Vietnam.

Decision

Pursuant to subsection 38(1) of the Special Import Measures Act (SIMA), the Canada Border Services Agency (CBSA) made preliminary determinations on August 23, 2018 respecting the dumping and subsidizing of certain cold-rolled steel in coils or cut lengths from China, South Korea and Vietnam.

This document is also available in [PDF \(2,707 KB\)](#) ([help with PDF files](#))

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- ▶ **Summary of Events**
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 - ▶ **Classification of Imports**
- ▶ **Like Goods and Class of Goods**
- ▶ **The Canadian Industry**
- ▶ **Imports into Canada**

This program is considered to be a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the Government are reduced and/or exempted, and confer a benefit to the recipient equal to the amounts of the reductions and exemptions.

The program may be considered specific pursuant to subsection 2(7.2) of SIMA because it is limited to either enterprises in certain geographic areas or investment projects specified in Appendix 1 and Appendix 2 of Decree No. 118/2015/ND-CP⁶⁷ dated November 12, 2015, guiding the implementation of a number of articles of the law on investment.

**Program 2:
Refunds of import duty**

The import duty refund programs are made available pursuant to the Law No. 107/2016/QH13 dated April 6, 2016, on export and import duties (Law No. 107) and Decree No. 134/2016/ND-CP dated September 1, 2016, on guidelines for the law on export and import duties (Decree No. 134). Law No. 107 replaced the Law on Export and Import Tax No. 45/2005/QH11 dated June 14, 2005, on detailing a number of articles of the law on export and import duties (Law No. 45). Decree 134 replaced Decree No. 87/2010/ND-CP dated August 13, 2010, guiding the implementation of a number of articles of the Law on Export Tax and Import Tax (Decree No. 87). Duty refund is stipulated in Article 19 of Law No. 45 and Law No. 107 and specified in Article 15 of Decree No. 87 and Article 33 to 37 of Decree No. 134. These programs were provided by the GOV.

This program is considered to be a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the Government are reduced and/or exempted, and confer a benefit to the recipient equal to the amounts of the refund.

The program may be considered specific pursuant to subsection 2(7.2) of SIMA because it is limited to enterprises located in certain geographic areas or contingent upon export performance and, therefore, constitute a prohibited subsidy as defined in subsection 2(1) of SIMA.

**Program 3:
Exemption/Reductions of Land Rent, Tax and Levy**

Land used for production and business purposes is governed by Law No. 45/2013/QH13⁶⁸ dated June 21, 2013, on Land (Law No. 45); Decree No. 46/2014/ND-CP⁶⁹ dated May 15, 2014, on regulating the collection of land rents and water surface rents (Decree No. 46); Circular No. 77/2014/TT-BTC⁷⁰ dated June 16, 2014, guiding Decree No. 46/2014/ND-CP; and Circular No. 333/2016/TT-BTC dated December 26, 2016, amending and supplementing a number of articles of Circular No. 77/2014/TT-BTC. Land rent exemption and reduction in land rent are provided in Articles 19 and 20 of Decree No. 46. These programs were provided by the GOV.

The program land-use levy exemption/reduction was terminated on July 1, 2014, as the effective date of the Law No. 45/2013/QH13 dated June 21, 2013, on Land (Law No. 45), replaced Law No. 13. Although, this program was terminated on July 1, 2014, companies that were eligible for the program could have benefited from the subsidy while it was in effect. Depending on the size of the benefits, the benefits could potentially be amortized over the following subsequent years.

This program is considered to be a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the Government are reduced and/or exempted, and confer a benefit to the recipient equal to the amounts of the reductions and exemptions.

The program may be considered specific pursuant to subsection 2(7.2) of SIMA because it is limited to the List of domains entitled to investment incentives and the List of regions entitled to investment incentives as specified in Article 110 of the Law on Land 2013; Section II, Chapter II of Decree No. 46; and Appendix II of Decree 118/2015/ND-CP.

**Program 4:
Incentives on Non-agricultural land use tax**

Based on CBSA research, non-agricultural land use tax is regulated by Law No. 48/2010/QH12 dated June 17, 2010, on non-agricultural land use tax (Law No. 48); Decree 53/2011/ND-CP dated July 1, 2011, guiding the implementation of this Law No. 48; and Circular No. 153/2011/TT-BTC dated November 11, 2011, guiding on non-agricultural land use tax (Circular No. 153). Articles 9 and 10 of Law No. 48 provide for tax exemption and reduction for non-agricultural land use. This program was provided by the GOV.

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Cold-Rolled Steel

Statement of Reasons

Ottawa, September 7, 2018

Concerning the preliminary determinations with respect to the dumping and subsidizing of cold-rolled steel from China, South Korea and Vietnam.

Decision

Pursuant to subsection 38(1) of the Special Import Measures Act (SIMA), the Canada Border Services Agency (CBSA) made preliminary determinations on August 23, 2018 respecting the dumping and subsidizing of certain cold-rolled steel in coils or cut lengths from China, South Korea and Vietnam.

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Custom Duties Reduced or Exempted

Program 25

Export Insurance through the Korea Trade Insurance Corporation (K-Sure)

Grants and Grant Equivalents

Program 26

Sharing of Working Opportunities/Employment Creating Incentives

Relief from Duties and Taxes in Inputs, Materials and Machinery

Program 27

GOK Facilities Investment Support under RSTA Article 26

Vietnam

The complainant alleged the following subsidy programs in Vietnam:

Category 1: Relief from Duties and Taxes

Program 1:

Exemptions of import duty

The programs of import duty exemptions are made available pursuant to the Law No. 107/2016/QH13⁶³ dated April 6, 2016, on export and import duties (Law No. 107) and Decree No. 134/2016/ND-CP⁶⁴ dated September 1, 2016, on guidelines for the law on export and import duties (Decree No. 134). Law No. 107 replaced the Law on Export and Import Tax No. 45/2005/QH11⁶⁵ dated June 14, 2005, on detailing a number of articles of the law on export and import duties (Law No. 45). Decree 134 replaced Decree No. 87/2010/ND-CP⁶⁶ dated August 13, 2010, guiding the implementation of a number of articles of the Law on Export Tax and Import Tax (Decree No. 87). Duty exemption is stipulated in Article 16 of Law No. 45 and Law No. 107 and specified in Article 12 of Decree No. 87 and Article 5 to 29 of Decree No. 134. These programs were provided by the GOV.

This program is considered to be a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the Government are reduced and/or exempted, and confer a benefit to the recipient equal to the amounts of the reductions and exemptions.

The program may be considered specific pursuant to subsection 2(7.2) of SIMA because it is limited to either enterprises in certain geographic areas or investment projects specified in Appendix 1 and Appendix 2 of Decree No. 118/2015/ND-CP⁶⁷ dated November 12, 2015, guiding the implementation of a number of articles of the law on investment.

Program 2:

Refunds of import duty

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This program is considered to be a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the Government are reduced and/or exempted, and confer a benefit to the recipient equal to the amounts of the refund.

The program may be considered specific pursuant to subsection 2(7.2) of SIMA because it is limited to enterprises located in certain geographic areas or contingent upon export performance and, therefore, constitute a prohibited subsidy as defined in subsection 2(1) of SIMA.

Program 3:

Exemption/Reductions of Land Rent, Tax and Levy

Land used for production and business purposes is governed by Law No. 45/2013/QH13⁶⁸ dated June 21, 2013, on Land (Law No. 45); Decree No. 46/2014/ND-CP⁶⁹ dated May 15, 2014, on regulating the collection of land rents and water surface rents (Decree No. 46); Circular No. 77/2014/TT-BTC⁷⁰ dated June 16, 2014, guiding Decree No. 46/2014/ND-CP; and Circular No. 333/2016/TT-BTC dated December 26, 2016, amending and supplementing a number of articles of Circular No. 77/2014/TT-BTC. Land rent exemption and reduction in land rent are provided in Articles 19 and 20 of Decree No. 46. These programs were provided by the GOV.

The program land-use levy exemption/reduction was terminated on July 1, 2014, as the effective date of the Law No. 45/2013/QH13 dated June 21, 2013, on Land (Law No. 45), replaced Law No. 13. Although, this program was terminated on July 1, 2014, companies that were eligible for the program could have benefited from the subsidy while it was in effect. Depending on the size of the benefits, the benefits could potentially be amortized over the following subsequent years.

This program is considered to be a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the Government are reduced and/or exempted, and confer a benefit to the recipient equal to the amounts of the reductions and exemptions.

The program may be considered specific pursuant to subsection 2(7.2) of SIMA because it is limited to the List of domains entitled to investment incentives and the List of regions entitled to investment incentives as specified in Article 110 of the Law on Land 2013;

Program 4:

Incentives on Non-agricultural land use tax

Based on CBSA research, non-agricultural land use tax is regulated by Law No. 48/2010/QH12 dated June 17, 2010, on non-agricultural land use tax (Law No. 48); Decree 53/2011/ND-CP dated July 1, 2011, guiding the implementation of this Law No. 48; and Circular No. 153/2011/TT-BTC dated November 11, 2011, guiding on non-agricultural land use tax (Circular No. 153). Articles 9 and 10 of Law No. 48 provide for tax exemption and reduction for non-agricultural land use. This program was provided by the GOV.

Appendix 1 of Decree No. 118/2015/ND-CP dated November 12, 2015, guiding the implementation of the Law on Investment (Decree No. 118), defines domains eligible for investment promotion and domains eligible for special investment preferences. Appendix 2 of Decree No. 118 defines areas with extreme socio-economic difficulties, areas with socio-economic difficulties eligible for investment preferences.

This program is a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the Government are reduced and/or exempted, and confers a benefit to the recipient equal to the amount of the reduction/exemption.

The program may be considered specific pursuant to subsection 2(7.2) of SIMA because it is limited to industries located in the regions prescribed.

Category 2: Preferential Loans and Loan Guarantees

Program 5:

Export and import support in forms of preferential loan, guarantee and factoring

Investment credit and export credit are made available pursuant to Decree No. 75/2011/ND-CP ⁷¹ dated August 30, 2011, on state investment credit and export credit (Decree No. 75) and Decree No. 151/2006/ND-CP ⁷² dated December 20, 2006, on state investment credit and export credit (Decree No. 151). These programs were provided by the GOV.

Investment credit is stipulated in Chapter II and Appendix I of Decree No. 75 and in Chapter II and List of Eligible Projects for Investment Credit of Decree No. 151. Export credit is stipulated in Chapter III and Appendix II of Decree No. 75 and in Chapter III and List of Eligible projects for export credit of Decree No. 151. The regulation of guarantee operation was detailed in the Circular 28/2012/TT-NHNN ⁷³ issued by the State Bank of Vietnam.

This program is considered to be a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confer a benefit to the recipient equal to the amounts of the reductions or exemptions.

The program may be considered specific pursuant to paragraph 2(7.2)(b) of SIMA as it is contingent upon export performance and, therefore, constitute a prohibited subsidy as defined in subsection 2(1) of SIMA.

Program 6:**Enterprise income tax preferences, exemptions and reductions**

Corporate income tax and tax benefits are governed by Law No. 14/2008/QH12 ⁷⁴ dated June 3, 2008, on Enterprise Income Tax 2008 (Law No. 14); Law No. 32/2013/QH13 ⁷⁵ dated June 19, 2013, on amending and supplementing a number of articles of Law on Enterprise Income Tax 2008 (Income Tax 2008 Amending); Law No. 71/2014/QH13 ⁷⁶ dated December 8, 2014, on amending and supplementing a number of articles of the laws on taxes (Law No. 71); Decree No. 218/2013/ND-CP dated December 26, 2013, on detailing and guiding the implementation of law on corporate income tax (Decree No. 218) and Decree No. 12/2015/ND-CP dated February 12, 2015, on elaboration of the law on amendments to tax laws (Decree No. 12). Income tax rate preference is provided in Article 15 of Decree No. 218 and tax exemptions and reductions is provided in Article 16 of Decree No. 218. This program was provided by the GOV.

Article 20.2 of Decree 218 allows the continuation of the application of corporate income tax preferences granted before the Decree's effective date as of February 15, 2014, if those preferences are more advantaged than those granted under Decree 218.

According to Article 15 of Law No. 67/2014/QH13 dated November 26, 2014, on the Law on Investment (Law No. 67), corporate income tax preferences apply to: (1) Economic zone, high-tech zone established by Decision of the Prime Minister in area with difficult socio-economic conditions; (2) Industrial, processing zone established by Decision of the Prime Minister in areas with special difficult socio-economic conditions specified in Attachment II to Decree No. 118/2015/ND-CP dated November 12, 2015, on guidelines for some articles of the law on Investment (Decree No. 118).

This program is a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the Government are reduced and/or exempted, and confer a benefit to the recipient equal to the amount of the reduction/exemption.

The program may be considered specific pursuant to subsection 2(7.2) of SIMA because it is limited to investment projects within certain eligible geographic areas as specified in Article 15 of Law No. 67.

Program 7:**Accelerated Depreciation of Fixed Assets**

Accelerated depreciation of fixed assets is specified in Circular 45/2013/TT-BTC ⁷⁷ dated April 25, 2013, on guiding the regime of management, use and depreciation of fixed assets (Circular 45). According to Article 1, Circular No. 45 applies to enterprises established and operating in Vietnam under regulations of law. Enterprises are permitted to choose their preferred method of depreciation, period of depreciation of fixed assets according to Circular No. 45 and must notify the tax authority before implementation. This program was provided by the GOV.

Article 35 of Law No. 59/2005/QH11 dated November 29, 2005, on the Law on Investment (Law No. 59) provides for investment projects in investment incentive sectors and geographical areas and business projects with high economic efficiency to adopt accelerated depreciation of fixed assets.

This program is a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the Government are reduced and/or exempted, and confers a benefit to the recipient equal to the amount of the reduction/exemption.

The program may be considered specific pursuant to subsection 2(7.2) of SIMA because it is limited to particular enterprises with fixed assets and specialized technological capabilities.

Program 8:

Establishments Dealing with Exported Goods

This program is made available pursuant to Decree No. 164/2003/ND-CP dated December 22, 2003, on detailing the implementation of the Law on Enterprise Income Tax (Decree No. 164). Article 39 of Decree No. 164 provides that business establishments dealing in export goods defined in Section III, List A of the Appendix to this decree shall enjoy certain income tax preferences. This program was provided by the GOV.

The list of sectors and regions eligible for preferences specified in Decree No. 164 was repealed and replaced with the list attached to Decree No. 108/2006/ND-CP dated September 22, 2006, detailing and guiding the implementation of a number of articles of the Investment Law (Decree No. 108).

Decree No. 164 is replaced by Decree No. 24/2007/ND-CP dated February 14, 2007 detailing the implementation of the Law on Enterprise Income Tax (Decree No. 24). Article 46.3 of Decree No. 24 provides that business establishments currently enjoying income tax preferences under Decree No. 164 which is issued before effective date of this decree continue to enjoy the relief until the end of the duration of the preferences.

This program was terminated on October 25, 2006 with the implementation of Decree No. 108 and Decree No. 24, except for situations provided for in Article 46.3.

This program is a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the Government are reduced and/or exempted, and confers a benefit to the recipient equal to the amount of the reduction/exemption.

The program may be considered specific pursuant to subsection 2(7.2) of SIMA because it is limited to investment projects within certain eligible sectors as specified in Section III, List A of the Appendix to Decree No. 164.

Category 4: Grants and Grant Equivalents

Program 9:

Investment support

The programs are made available pursuant to Decree 108/2006/ND-CP of the Government, dated, September 22, 2006. ⁷⁹ Decree 108 details in which areas the government will support new investments.

This program is a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts confer a benefit to the recipient equal to the amount of the extra support received from the Government.

The program may be considered specific pursuant to subsection 2(7.2) of SIMA because it is limited to a list of sectors entitled to investment incentives and a list of geographical areas entitled to investment incentives as specified in Appendix I and II and of the Law.

**Program 10:
Export Promotion Program**

The National Trade program was established by Decision No. 279/2005/QD-TTg of 3 November 2005. The Decision constituted the framework for state-funded trade promotion activities from 2006 to 2010. The state funding of these activities was derived from the Export Promotion Fund, established pursuant to Prime Minister's Decision No. 195/1999/QD-TTg. The Decision 279 was amended and supplemented by Prime Minister's Decision No. 80/2009/QD-TTg of 21 May 2009. ⁸⁰

This program where a direct transfer of funds from the Government is considered to be a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA.

The program may be considered specific pursuant to subsection 2(7.2) of SIMA because Article 9 of Decision 279 specifies the types of trade promotion schemes that are eligible for support and Article 10 specifies the level of support that is available for each of the eligible schemes.

**Program 11:
Grants to Firms that Employ More than 50 Employees**

This program is made available pursuant to Decree No. 51/1999/ND-CP ⁸¹ dated July 8, 1999, detailing the implementation of Law No. 3/1998/QH10 on Domestic Investment Promotion (Amended) (Decree No. 51). Article 15 of Decree No. 51 provides the eligibility criteria for investment preferences. Articles 16 to 27 provides for various types of preferences for eligible investments. This program was provided by the GOV.

The last date that a company could apply for or claim benefits under this program was July 1, 2006, the date which Law No. 59/2005/QH11 ⁸² dated November 29, 2005, on the Law on Investment (Law No. 59) came into effect. Articles 27 to 31 of Law No. 59 provides for the domains and sectors entitled to investment preference, including "labour intensive industries". Articles 32 to 44 provides for investment preferences and supports.

This program is a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government and confers a benefit to the recipient equal to the amount of the grant.

The program may be considered specific pursuant to subsection 2(7.2) of SIMA because it is limited to particular enterprises with a certain size.

Program 12:

Assistance to Enterprises Facing Difficulties due to Objective Reasons

The GOV reported this subsidy program in its New and Full Notifications pursuant to Article 25 of the WTO Agreement on Subsidies and Countervailing Measures, dated, March 13, 2013. This program was provided by the GOV.

According to the GOV response, this program targets companies facing difficulties that arise as the result of unforeseen reasons, such as: policy changes in terms of taxation and other dues to the state budget; relocation of enterprises upon request of competent authorities; loss due to natural disaster, etc.

Depending on the form of benefit, this program may be considered a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the Government and confers a benefit to the recipient equal to the amount of the grant. This program may also be considered a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that **amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confer a benefit to the recipient equal to the amount of the reduction/exemption.**

The program may be considered specific pursuant to subsection 2(7.2) of SIMA because it is limited to particular enterprises targeted by the GOV.

A summary of Vietnamese subsidy programs to be initiated is as follows:

Relief from Duties and Taxes

- Program 1
- Exemptions of Import Duty
- Program 2
- Refunds of Import Duty
- Program 3
- Exemption/Reductions of Land Rent, Tax and Levy
- Program 4
- Program Incentives on non-agricultural Land Use Tax

Preferential Loans and Loan Guarantees

- Program 5
- Export and Import Support in Forms of Preferential Loan, Guarantee and Factoring

Preferential Tax Programs

- Program 6

Program 7

Accelerated Depreciation of Fixed Assets

Program 8

Establishments Dealing with Exported Goods

Grants and Grant Equivalentents

Program 9

Investment Support

Program 10

Export Promotion Program

Program 11

Grants to Firms that Employ More than 50 Employees

Program 12

Assistance to Enterprises Facing Difficulties due to Objective Reasons

Footnotes:

- 1 Exhibit 58, Response to Dumping RFI Salzgitter Mannesmann International GmbH (NC).
- 2 Exhibit 62, Response to Dumping RFI VNSteel - Phu My Flat Steel Co. Ltd. (NC).
- 3 Exhibit 2 NC, Cold-Rolled Steel Complaint - Pages 16-19.
- 4 Exhibit 2 NC, Cold-Rolled Steel Complaint - Pages 19-20.
- 5 Exhibit 2 NC, Cold-Rolled Steel Complaint - Page 20.
- 6 Canadian International Trade Tribunal; Cold-Rolled Steel Dumping and Subsidizing Determination and Reasons (August 8, 2018), PI-2018-002, paragraph 39.
- 7 Exhibit 70, Written representations from POSCO (NC).
- 8 Exhibit 71, Letter from POSCO requesting termination of investigation (NC).
- 9 South Korean exporters did not receive a separate surrogate RFI as they each received a full exporter RFI.
- 10 Exhibit 2 NC, Cold-Rolled Steel Complaint - Pages 46.

COMMISSION IMPLEMENTING DECISION

of 16 December 2014

terminating the anti-subsidy proceeding concerning the imports of polyester staple fibres originating in the People's Republic of China, India and Vietnam

(2014/918/EU)

THE EUROPEAN COMMISSION,

Having regard to Council Regulation (EC) No 597/2009 of 11 June 2009 on protection against subsidised imports from countries not members of the European Community ⁽¹⁾, and in particular Article 14(2) thereof,

Whereas:

1. PROCEDURE

1.1. INITIATION

- (1) On 19 December 2013, the European Commission (the Commission) initiated an anti-subsidy investigation with regard to imports into the Union of polyester staple fibres originating in the People's Republic of China, India and Vietnam (the countries concerned) on the basis of Article 10 of Regulation (EC) No 597/2009 (the basic Regulation). It published a Notice of Initiation in the *Official Journal of the European Union* ⁽²⁾ (the Notice of Initiation).
- (2) The Commission initiated the investigation following a complaint lodged on 4 November 2013 by the European Man-made Fibres Association (CIRFS) (the complainant) on behalf of seven producers. The complainant represented more than 70% of the total Union production of Polyester Staple Fibres (PSF). The complaint contained prima facie evidence of subsidisation and of resulting material injury that was sufficient to justify the initiation of the investigation.
- (3) Prior to the initiation of the proceeding and in accordance with Article 10(7) of the basic Regulation, the Commission notified the Government of the People's Republic of China (the GOC), the Government of India (GOI) and the Government of Vietnam (GOV) that it had received a properly documented complaint alleging that subsidised imports of PSF originating in their countries were causing material injury to the Union industry. The respective governments were invited for individual consultations with the aim of clarifying the situation as regards the contents of the complaint and arriving at a mutually agreed solution.

The People's Republic of China (China)

- (4) The GOC did not accept the offer for consultations claiming a misunderstanding concerning the lodging date of the complaint. However, the GOC submitted comments in regard to the allegations contained in the complaint regarding the lack of countervailability of the schemes.

India

- (5) The GOI accepted the offer for consultations and the consultation took place. During the consultations, no mutually agreed solution could be arrived at. However, due note was taken of comments made by the GOI regarding the schemes listed in the complaint.

Vietnam

- (6) The GOV accepted the offer for consultations and the consultations took place. During the consultations, no mutually agreed solution could be arrived at. However, due note was taken of comments made by the GOV regarding the schemes listed in the complaint.

⁽¹⁾ (OJ L 188, 18.7.2009, p. 93).

⁽²⁾ Notice of initiation of an anti-subsidy proceeding concerning imports of polyester staple fibres originating in the People's Republic of China, India and Vietnam (OJ C 372, 19.12.2013, p. 31).

(225) Consequently, the subsidy should be considered countervailable.

(e) Calculation of the subsidy amount

(226) In accordance with Article 3(2) and Article 5 of the basic Regulation, the amount of countervailable subsidy is calculated in terms of the benefit conferred on the recipient in relation to the product concerned, which is found to exist during the investigation period. This amount (numerator) has been allocated over the total sales turnover of the product concerned of the exporting producer during the investigation period, because the subsidy is not contingent upon export performance and was not granted by reference to the quantities manufactured, produced, exported or transported, pursuant to Article 7(2) of the basic Regulation.

(227) The subsidy rate established with regard to the EDE sub-scheme amounted to 0,31 % for the single company availing of this benefit.

(228) The subsidy rate established with regard to the IPS sub-scheme amounted to 1,03 % and 1,91 % respectively during the investigation period for the companies concerned.

3.2.9. Amount of countervailable subsidies

(229) Based on the findings, the total amount of countervailable subsidies for the verified exporting producers, expressed ad valorem, were found to range from 4,16 % to 7,65 %, as summarised in the below table.

Table 1

Amount of countervailable subsidies — India

Scheme	FMS	FPS	DDS	AAS	DFIA	EPCGS	PSI/EDE	PSI/IPS	Total
Company									
Bombay Dyeing and Manufacturing Co. Ltd	0,42	1,77	—	—	—	—	0,31	1,91	4,41
Ganesh Ecosphere Ltd	—	1,95	0,24	0,11	4,95	0,40	—	—	7,65
Indo Rama Synthetics Ltd	0,15	1,75	—	1,89	—	0,37	—	1,03	5,19
Polyfibre Industries Pvt. Ltd	0,19	1,85	2,12	—	—	—	—	—	4,16
Reliance Industries Limited	0,63	1,59	—	4,31	—	0,46	—	—	6,99

3.3. VIETNAM

3.3.1. General

(230) On the basis of the information contained in the complaint and the replies to the Commission's questionnaire, the following schemes, which allegedly involved the granting of subsidies by Government of Vietnam, were investigated:

- A. government preferential lending to the PSF industry by state-owned banks and the government entrustment and direction of private banks, and interest rate support;
- B. government provision of goods to the PSF industry by state-owned enterprises for less than adequate remuneration;
- C. government provision of land for less than adequate remuneration and other land-related benefits;

- D. direct tax exemptions and reductions programmes;
 - E. indirect tax and import tariff programmes;
 - F. accelerated depreciation on fixed assets;
 - G. other subsidy programmes, including state, regional, and local government schemes.
- (231) The Commission investigated all schemes alleged in the complaint. For each scheme it was investigated whether, pursuant to provisions of Article 3 of the basic Regulation, a financial contribution by the GOV and a benefit conferred to the exporting producers could be established. The investigation revealed that in the present case any benefit found for the investigated schemes is below the applicable *de minimis* threshold in Article 14(5) (*) of the basic Regulation. Therefore, it is not considered necessary to conclude on the countervailability of individual schemes.
- (232) Nevertheless, for the purpose of clarity and transparency the details of the schemes and the corresponding subsidy rates for individual companies are set out below, without prejudice to whether or not the subsidies are considered to be countervailable. The benefit was calculated in line with Article 6 of the basic Regulation.

3.3.2. Specific subsidy schemes

Subsidy schemes not used by the Vietnamese exporting producers during the investigation period

- (233) The investigation found that the following schemes were not used by the investigated Vietnamese exporting producers:
- (a) government provision of goods to the PSF industry by state-owned enterprises for less than adequate remuneration;
 - (b) accelerated depreciation on fixed assets;
 - (c) other subsidy programmes, including state, regional, and local government schemes.
- (234) As concerns in particular the government provision of goods to the PSF industry by state-owned enterprises for less than adequate remuneration, the allegation in this regard contained in the complaint was that PTA/MEG, which can be used as main raw material for the production of PSF, was obtained by the Vietnamese producers at subsidised prices. The investigation showed however that none of the investigated exporting producers were using PTA/MEG as main raw material but that they were all using recycled PET bottles or PET bottle flakes instead.
- (235) Further to the disclosure, the complainant noted that the Commission provided a partial analysis only for one of them, that is the provision of PTA/MEG at subsidised prices. With regard to this programme, the complainant argued that the way the sample was established and the fact that major PSF producers in Vietnam were not included in the investigation affected the determination on this programme. The complainant also listed other alleged subsidy programmes in Vietnam for which information had been submitted in the complaint.
- (236) As the Commission ~~has explained~~ in recitals 32-34 and 42 above, no sampling was necessary for Vietnam as all Vietnamese exporting producers expressed their intention to cooperate, and the replies received from the three cooperating producers covered over 99 % of imports from Vietnam. Therefore, the complainant's arguments concerning sampling are not relevant for the findings of the investigation. In addition, the mere fact that there are other large producers of PSF in Vietnam does not as such question the representativeness of the cooperating exporting producers. The Commission confirms that it sought information and replies on all of the alleged subsidies included in the complaint including the ones mentioned by the complainant in its comments to the disclosure, but these programmes were found not to be used by the cooperating exporters. The Commission provided details on the provision of PTA/MEG as this programme featured as a major allegation in the complaint possibly conferring a significant countervailable subsidy.

Subsidy schemes used by the Vietnamese investigated exporting producers during the investigation period

- (237) The below schemes were found to be used by the investigated Vietnamese exporting producers during the investigation period.

(*) See footnote 3.

3.3.3. Preferential lending

3.3.3.1. Post-investment interest rate support by the Vietnam Development Bank

- (238) The Vietnam Development Bank ('VDB') is a state-owned policy bank established in 2006 under Decision No 108/2006/QĐ-TTg to implement state policies on development investment credit and export credit. During the investigation period, the Vietnam Development Bank ('VDB') administered a programme for interest rate support on some loans from commercial banks. Within this framework, the Thai Binh Group companies had contracts with the VDB for the support of loans from BIDV and Vietcom Bank.
- (239) The legal basis for the programme is Decree No 75/2011/ND-CP from 30 August 2011, which replaces the Decree No 151/2006/ND-CP, Decree No 106/2008/ND-CP and Decree 106/2004 ND-CP. When the contracts have been signed before the application of the Decree No 75/2011, the previous Decrees apply.
- (240) The benefit from this programme equals the difference between the interest rates offered by the VDB and interest rates from commercial banks applied on the loans to these two companies. The programme applies to the long and medium term loans from commercial banks used for the financing of investments projects.
- (241) The benefit from this scheme ranged between 0 % and of 0,28 %.

3.3.3.2. Low interest loans granted by some state-owned commercial banks

- (242) The investigation showed that a significant part of the banking sector in Vietnam is state-owned; almost 50 % of the loans in the Vietnamese economy during the investigation period was made by the 5 large state-owned banks ^(?). There are limitations to the foreign ownership of banks established in Vietnam ^(?). Commercial banks are instructed to provide interest rate support to businesses ^(?). The State Bank of Vietnam sets the maximum interest rates which the commercial banks can charge for loans to some entities ^(?). Information on the file shows that the state-owned commercial banks are offering lower interest rates than other banks.
- (243) Several laws in Vietnam concerning the banking sector and lending refer to preferential lending. For example, Regulation 1627 of 2001 refers to loans to customers which are subject to preferential credit policy (Articles 20 and 26) or the Law on Credit Institutions refers to concessional credits (Article 27).
- (244) The amount of subsidy is calculated in terms of benefit conferred on the recipients, which is found to exist during the investigation period. According to Article 6(b) of the basic Regulation the benefit conferred on the recipients is considered the difference between the amount the company pays on the preferential loan and the amount that the company would pay for a comparable commercial loan obtainable on the market.
- (245) The information described in recitals 242 and 243 above point to significant distortions in the Vietnamese financial sector. Therefore the Commission resorted to an external benchmark for the calculation of benefit from preferential loans. As stated in recital 231 above this is without prejudice to the countervailability of the subsidy resulting from preferential lending. Also because of the *de minimis* subsidisation, the Commission did not make any final conclusions whether the banks concerned are public bodies or whether the credit risk assessment performed by the banks is sufficient.
- (246) The external benchmark was required to cover loans in VND currency only as no evidence was seen that loans given in USD were subsidised. Of the cooperating companies only the Thai Binh Group received loans in VND. The benchmark was calculated using the lending interest rates of a basket of 48 nations in lower middle income (GDP) countries in the most recent period available (2012). Such countries were chosen because they had a similar GDP to Vietnam. These rates were then adjusted for inflation in the investigation period to produce real interest rates and an average for the 48 countries was calculated for those countries for which data were available. The source of the country interest and inflation rates was the World Bank. The average real interest rate for these lower middle income countries was 8,23 % in the investigation period. This benchmark was compared to the inflation adjusted interest rates of all VND loans for the investigated companies.

^(?) Bank for Agriculture and Rural Development, Vietnam Foreign Commercial Bank, Industrial and Commercial Bank, Bank for Investment and Development of Vietnam and Mekong Housing Bank.

^(?) Article 4 of the Decree 69/2007/ND-CP.

^(?) Articles 2, 3 and 4(a) of Prime Minister Decision No 443/QĐ-TTg of 4 April 2009.

^(?) E.g. Circular No 102013/TT-NHNN, Article 1.2(b), (c) and (d).

- (247) The benefit for this programme ranged between 0 % and 1,34 %.
- (248) Following disclosure, the GOV disputed the conclusions on the distortions of the Vietnamese financial system and submitted that the Commission should have assessed whether the state-owned commercial banks are public bodies and whether the credit risk assessment performed by them is sufficient. In GOV's view, this analysis would have affected the conclusion on the existence of a financial contribution and also the use of an external benchmark to establish the benefit conferred by this programme.

- (249) As specified in recitals 242-243 above, the information and evidence collected in the investigation show significant distortions in the Vietnamese banking system. Because of these distortions, in line with the rules of the basic Regulation, an external benchmark must be used to determine the amount of benefit (if any). Since the benefits for Vietnamese exporting producers are *de minimis*, the Commission does not consider it necessary to examine whether the banks are public bodies and/or whether the risk assessment is sufficient as clarified in recitals 231 and 232 above.

3.3.4. Provision of land use rights

- (250) Both cooperating exporting producers were allocated land use rights in special industrial zones. While the Thai Binh Group received the LUR directly from the state, the land to the Vietnam New Century Polyester Fibre Co. Ltd ('VNC') is sub-leased through a partially state-owned company.
- (251) Thai Binh Group has three plots of land in the industrial zone. During the investigation period the Group was fully exempted from the payment of rent for two plots. The bases for the exemption are Decree No 121/2010/ND-CP and Decree No 142/2005/ND-CP. The Group also did not pay the rent for the third plot as it is in the administrative process requesting the exemption. The exempted rent rates are well below the rates paid by the Group for other similar plots in close proximity of the industrial zone and seem to be well below the normal prices of land in the region.
- (252) VNC did not get a full exemption of land use rights, however it was clear that they were receiving a benefit during the investigation period. VNC sub-leases three plots of land from a partially state-owned company. Although the GOV claimed that these are transactions between private parties, the information on the file is in contradiction with this claim. The investment licence of VNC lists the lease of land as a preferential benefit. In the licence the Quang Ninh's People's Committee obliges VNC to rent the land from this company. Also according to the original contract between the partially state-owned company renting the plot to VNC and the local land authority the subsequent transfer of the land is only possible under certain conditions set by the local land authority. This shows that the state is involved in the land transaction between the two parties.
- (253) For the purpose of benefit assessment the Commission compared the low land prices related to transactions in the industrial zones to a benchmark price for similar land. The investigation found indications that the market for land in Vietnam seems to be regulated and is distorted by the government intervention, as there is an exemption or a preferential remuneration for LUR concerning land located in designated industrial zones and/or encouraged business sectors. In this specific case, the Commission found a LUR transaction of a sufficiently reliable nature because the land concerned is located outside any encouraged zone and because the company concerned is active in a sector unrelated to PSF and not encouraged under government policies. The prices in this transaction are used as a benchmark for the benefit assessment, without prejudice to any conclusion on the overall land market situation in Vietnam.

- (254) The benefit for this scheme ranged between 0,17 % and 0,37 %.

3.3.5. Direct tax exemption and reduction programmes

- (255) Both cooperating exporting producers benefited from several direct tax reliefs based on exemptions listed in their investment licences. The legal basis for these exemptions are Decree No 164/2003/ND-CP replaced by Decrees 124/2008/ND-CP and 122/2011/ND-CP, Circular 140/2012, Decree No 164/2003/ND-CP amended and supplemented by Decree No 152/2014/ND-CP Duty and VAT exemption on the imports of machinery.
- (256) According to the above legislation the direct tax exemptions and reduction are available, inter alia, to companies located in special industrial zones/parks, or companies which employ a high number of employees, or companies operating in certain sectors of the economy.

(257) The amount of subsidy is calculated in terms of benefit conferred on the recipients which is found to exist during the investigation period. The benefit conferred on the recipients is considered to be the amount of total tax payable according to the normal tax rate, after the deduction of what was paid with the reduced preferential tax rate, or the amount of fully exempted tax respectively. The amounts considered to be a subsidy are based on the most recent annual tax returns. The subsidy was allocated on a total company basis and expressed as a percentage of the CIF Union export turnover.

(258) The benefit for this scheme ranged between 0,11 % and 0,36 %.

3.3.6. Import duty exemption on imported raw materials

(259) Both cooperating exporting producers received exemptions from payment of duties on imported raw materials during the investigation period. The legal basis for the exemption is the Law on Import and Export Tax No 45/2005/QH11 implemented by Decree No 87/2010/ND-CP. The rules for inspection and supervision system and procedures are set in Circular 194/2010TT.

(260) The GOV reported in its questionnaire reply that it operates a duty drawback/suspension system. According to the legislation the exemption applies to imported raw materials consumed in the production of the exported products. The duties can be refunded to the extent determined by the ratio of how much of imported raw materials is used in the exported final product.

(261) It was found that during the investigation period both cooperating exporting producers did not receive any economic benefit from this scheme in the investigation period. Although they were exempted from the payment of import duty on raw materials, no excess remission was found in the investigation period. Both companies had relatively small domestic sales of product concerned. Moreover, they sourced a significant share of the main raw materials domestically as the volumes they imported for the production of exported product concerned were not sufficient.

(262) In view of the above it was not considered necessary to conclude whether the reported duty drawback system is in line with the WTO rules and with the Articles of Annex II and Annex III of the basic Regulation.

(263) Further to the disclosure, the GOV supported the Commission findings on this programme. However, it also wished to highlight that the Vietnamese duty drawback system is fully in line with the rules in Annex II and Annex III of the basic Regulation despite the absence of conclusions on this point. The Commission takes note of this position of the GOV. However, given that the benefits for Vietnamese exporting producers are *de minimis*, the Commission restates its position that it does not consider it necessary for the purpose of this investigation to examine whether the duty drawback scheme complies with the rules in Annex II and Annex III of the basic Regulation as explained in recitals 231-232 above.

3.3.7. Import duty exemption on imported machinery

(264) Both cooperating exporting producers received exemptions from payment of duties and VAT on imported machinery during the investigation period. The legal basis for the exemption is the Law on Import and Export Tax No 45/2005/QH11 implemented by Decree No 87/2010/ND-CP. The rules for inspection and supervision system and procedures are set in Government Decree No 154./2005/N-CP, Circular 194/2010TT, and Circular 117/2011.

(265) The companies were asked to report machinery imports over a 10 year period. Although it was clear that benefits did accrue to the cooperating exporting producers as a result of this scheme, these were not substantial. This is because the companies' imports of machinery were not important when compared to the turnover of the EU sales of PSF. Also any benefits were diluted by the fact that machinery was amortised over a number of years (usually 10) and therefore the benefit to the investigation period was correspondingly reduced.

(266) The benefit for this scheme ranged between 0,08 % and 0,1 %.

3.3.8. Amount of subsidies

(267) The amount of subsidies in accordance with the provisions of the basic anti-subsidy Regulation, expressed *ad valorem*, for the Vietnamese exporting producers ranges between 0,6 % to 2,31 %. The country-wide subsidy margin is the weighted average of the two margins above, i.e. 1,25 %. The subsidies described above were allocated on a total company basis and expressed as a percentage of the CIF Union export turnover.

- (268) Further to the disclosure, the complainant argued that it was unclear how the Commission calculated this range of the subsidy margin and why the Commission has not taken the higher end of these margins which would have been above the *de minimis* margin. As the Commission has explained in the previous recital, the range of the total aggregated subsidies for the Vietnamese cooperating exporting producers expressed *ad valorem* varies between a minimum of 0,6 % and a maximum of 2,31 %. However, the calculation of the weighted average of these margins leads to a per country average of the subsidy margin equal to 1,25 %, which is below the *de minimis* threshold. This is the methodology constantly used to calculate the per country average of the subsidy margin in accordance with the relevant rules of the basic Regulation.

3.3.9. Conclusion on Vietnam

- (269) The country-wide subsidy rate for Vietnam 1,25 %. As this margin is *de minimis*, it has been concluded that the investigation should be terminated with regard to imports originating in Vietnam, in accordance with Article 14(3) of the basic Regulation.

4. INJURY

4.1. DEFINITION OF THE UNION INDUSTRY AND UNION PRODUCTION

- (270) The like product was manufactured by 18 producers in the Union during the investigation period. They constitute the 'Union industry' within the meaning of Article 4(1) of the basic Regulation.
- (271) The total Union production during the investigation period was established at around 401 000 tonnes. The Commission established the figure on the basis of all the available information concerning the Union industry, such as verified production figures of the sampled cooperating Union producers as well as figures provided by the complainant. As indicated in recital 10, four Union producers were selected in the sample representing 54 % of the total Union production of the like product.

4.2. UNION CONSUMPTION

- (272) The Commission established the Union consumption on the basis of the volume of sales of the Union industry on the Union market using the data provided by the complainant and imports from third countries based on Eurostat data.
- (273) Union consumption developed as follows:

Table 2

Union consumption (tonnes)

	2010	2011	2012	Investigation period
Total Union consumption	838 397	869 025	837 066	890 992
Index	100	104	100	106

Source: Complaint, Eurostat.

- (274) The Union consumption peaked in 2011 due to the hike in cotton prices as a result of difficulties experienced regarding the cotton crop in 2010. The demand for PSF, as a substitute for cotton, increased as a result, but dropped again the following year. In the investigation period, a rise of 6 % in Union consumption is again observed.

4.3. IMPORTS FROM THE COUNTRIES CONCERNED

4.3.1. Cumulative assessment of the effects of imports from the countries concerned

- (275) The Commission examined whether imports of PSF originating in the countries concerned should be assessed cumulatively, in accordance with Article 8(3) of the basic Regulation.

13. Program No 13 : Provision for Natural gas /electricity/coal for power consumption to LTAR

Administering Authority:	Ministry of Industry and Trade (MIT), Ministry of Natural Resources and the Environment (MONRE), The Ministry of Industry and Trade and Office of PMO
Nature of Program:	<p>The petroleum industry is directly controlled by the Office of the Prime Minister due to its important relationship with the national economy.</p> <p>The Ministry of Industry and Trade is responsible for the preparation of approval documents or coordinating the drafting of strategic documents relating to the petroleum industry, such as the Gas Master Plan and Energy Master Plan.</p> <p>MOIT is also responsible for coordinating submissions to the Prime Minister for his approval: petroleum contracts; investment projects, and field development plans. Via its Energy and Petroleum Department, this government agency therefore has direct influence on the development of natural gas policy.¹</p> <p>National Strategy on Energy Development (NSED) up to 2020 was issued by the Prime Minister. This document describes the overall objectives for the petroleum sector and summarizes the Government's energy policies in four main areas: 1) energy supply; 2) energy prices; 3) utilizing energy economically and efficiently</p>
Legal basis	https://www.brookings.edu/wp-content/uploads/2016/06/09-vietnam-gas-industry-hai.pdf
Secondary Evidence:	
Eligibility:	Enterprises who are the producers/manufactures of copper pipes and tubes are eligible for consumption of electricity for LTAR .
Financial Contribution	Provided at LTAR
Benefit:	Difference between market price and international price
Specificity:	Provision of Natural Gas for LTAR is <i>de facto</i> specific-predominant users of natural gas
Product	Copper Pipes and Tubes

¹ <https://www.brookings.edu/wp-content/uploads/2016/06/09-vietnam-gas-industry-hai.pdf>

VIETNAM MINING EVIDENCES

Index

S.n	Particulars	Exhibits
1	Paper book of relevant evidences with regard to Vietnam mining	Exhibit-1
2	Decree No.15/2012/ND-CP 2012, is enclosed as.	Exhibit-2
3	KSV board resolution dated 15/3/2018 VINCOMIN Mineral Holding Cooperation	Exhibit-3
4	Decision 2427/ dated 22 December 2011 of the Prime Minister approving the Mineral Strategy to 2020 with vision to 2030.(<i>Decision 2427"</i>)	Exhibit-4

PAPER BOOK

COPPER MINING IN VIETNAM

(VINCOMIN)

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KSV: Board Resolution

On 15/03/2018, Vinacomin - Minerals Holding Corporation announced the Board Resolution as follows:

Article 1: Approve the content of the change in members of Board of Directors, General Manager of Vinacomin - Minerals Holding Corporation

Approve the content of the change in member of Board of Directors, General Manager of Vinacomin - Minerals Holding Corporation as follows:

1.1 Mr. Nguyen Tien Manh – Member of Board of Directors cum General Manager resigns the title member of Board of Directors from 16/03/2018 following the Decision No.391/QD-TKV issued on 12/03/2018.

Appoint Mr. Dang Duc Hung – Vice- General Manager to hold the title member of Board of Directors from 16/03/2018

Chair of Board of Directors is responsible for submitting the contents of the change in member of Board of Directors at Annual General Meeting of Shareholders of 2018 following the regulations of law.

1.2 Mr. Nguyen Tien Manh – General Manager resigns the title General Manager from 16/03/2018 following the Decision No. 393/QD-TKV issued on 12/03/2018

Appoint Mr. Trinh Van Tue – Member of Board of Directors cum Vice- General Manager to hold the title General Manager from 16/03/2018. The content of the change in General Manager shall be noticed at Annual General Meeting of Shareholders of 2018

Article 2: Approve supplementing the contents of voting to approve the plan on re-structuring Vinacomin - Minerals Holding Corporation in the period of 2017-2020 at Annual General Meeting of Shareholders of 2018

Board of Directors approves supplementing the contents of voting to approve the plan on re-structuring Vinacomin - Minerals Holding Corporation in the period of 2017- 2020 at Annual General Meeting of Shareholders of 2018 with the following contents:

I. Target

1. General target:

2. Specific target:

Major targets must be achieved until 2020:

- Yield of copper: 30,000 tons/ year
- Yield of zinc: 15,000 tons/ year
- Yield of tin: 300 tons/ year
- Yield of gold: 1,050 tons/ year
- Average revenue: maximize increase by 6%/ year (including the holding company- the Corporation)
- Rate of profit after tax/owners' equity: balance to achieve the rate of dividend following the orientation of TKV and the decision of General Meeting of Shareholders

- Productivity: increase by maximize 5%/ year (including the holding company -the Corporation)
- Scale of labor following the yield: no more than 4,740 persons, in which the scale of labor of the holding company- The Corporation: not more than 2,650 persons
- Average income: increase by 5%/ year (including the holding company- the Corporation)
- Rate of dividend of the holding company- the Corporation: Try to achieve higher than interest of term- savings (12 months) of VietinBank

II. Content of restructure

1. Major business line:

- Probe, exploit, and process non-ferrous metal minerals, black minerals, non-metal minerals
- Process and produce jewelry, fine art

2. Share listing

Listing share of the holding company- the Corporation on the stock exchange in 2018 following the regulations

3. Plan on restructure enterprise, model of organization of the holding company- Vinacomin - Minerals Holding Corporation and the members of the Corporation in the period of 2017-2020

3.1 Principal of arrangement, restructure

- Arrange the subsidiaries following the proper clue structure, specialization on operations following the region, business line, and create conditions to the holding company- the Corporation to have effectiveness in business and production operations.
- The holding company- the Corporation holds shares at the enterprises which has operated in the industry on exploiting, processing minerals and had natural resources and mineral reserve with the large scale, advantaged products, effectiveness of business and production operations
- Divest the whole capital at the Subsidiaries which have operated un-effectively and the subsidiaries which have operated in the trading and service industry
- Divest the whole capital at the joint venture companies (apart from the companies which have advantages on location and management rights, land use rights)
- Arrange, structure the departments, factories at the subsidiaries to ensure the effectiveness
- Hold and re-arrange the subsidiaries level II in the Corporation following the regulations of Decree No. 69/2014/ND-CP issued on 15/07/2014

3.2 Plan on arranging, restructuring the enterprise and model of management

a. The holding company – the Corporation

- As Joint Stock Company which operates following the model of the holding company and the subsidiaries, in which TKV holds 65% of the charter capital at the holding company- the Corporation

- TKV divests a part of capital to decrease the holding rate at the holding company- the Corporation from 98.06% to 65% of the charter capital
- Entities belong to structure of the holding company- the Corporation:
 - + Copper Mine Sin Quyen, Lao Cai- Vimico Branch
 - + Luyen Dong, Lao Cai – Vimico Branch
 - + Viet Nhat- Vimico Gem Branch
- Re-arranged entities:
 - Cooperating with the Labor Union of the Corporation to terminate the operation of Center for Rehabilitation and Professional Diseases –Vimico
- b. Subsidiary
 - Maintain the holding rate of the charter capital of the holding company- the Corporation at the companies:
 - + Thai Nguyen- Vimico Non-Ferrous Metals Joint Stock Company (51% of the charter capital)
 - + Mineral 3 Vimico Joint Stock Company (51% of the charter capital)
 - + Lai Chau Vimico Rare Earth Joint Stock Company (55% of the charter capital)
 - + Cao Bang Mineral and Metallurgical Joint Stock Company (51.89% of the charter capital)
 - Divest the whole capital of the holding company- the Corporation at the companies:
 - + Cao Bang- Bang Giang Travel and Trading Joint Stock Company (51.31% of the charter capital)
 - + Real Estate and Mineral – TKV Joint Stock Company (56.99% of the charter capital)
 - + Nghe Tinh Non-Ferrous Metals Joint Stock Company (60.93% of the charter capital)
 - + Cao Bang Cast Iron and Steel Joint Stock Company (52.54% of the charter capital)
 - Dissolute Lao Cai Cast Iron and Steel Investment Joint Stock Company, ensure the recovery and preservation on contribution capital (99.01% of the charter capital) of the Corporation
- c. Joint venture company
 - Maintain the holding rate (48.31% of the charter capital) of the holding company- the Corporation at Hanoi Gem and Gold Joint Stock Company
 - Divest the whole capital of the holding company- the Corporation at the companies:
 - + Lao Cai Gold Joint Stock Company (46.14% of the charter capital)
 - + Tan Quang- VVML Cement Joint Stock Company (13.71% of the charter capital)
- d. Hold and re-arrange Bac Kan Non-Ferrous Metals one- member Co. Ltd (Thai Nguyen – Vimico Non-Ferrous Metals Joint Stock Company holds 100% of the charter capital) following the regulations of Decree No. 69/2014/ND-CP issued on 15/07/2014

4. Restructure administration of enterprise

- 4.1. Research and apply the administration system on human resources (ERP) at the holding company- the Corporation
- 4.2. Consolidate the internal machine

a. Structure, number of departments and factories belong to the holding company- the Corporation: maximum 11 departments

b. Structure, maximum number of departments and factories of Branches which belong to the holding company- the Corporation

- Copper Mine Dong Sin, Lao Cai- Vimico branch:

+ Number of departments: 7 departments

+ Number of factories: 9 factories

- Luyen Dong Lao Cai- Vimico branch:

+ Number of departments: 07 departments

+ Number of factories: 10 factories

- VietNhat- Vimico Gem branch:

+ Number of departments: 02 departments

+ Number of factories: 1 factory

c. Structure, maximum number of departments, branches and factories of the subsidiaries which are held by the holding company- the Corporation:

- Thai Nguyen- Vimico Non-Ferrous Metals Joint Stock Company:

+ Number of departments: 09 departments

+ Number of branches: 04 branches

+ Number of factories: 1 factory

- Mineral 3- Vimico Joint Stock Company:

+ Number of departments: 03 departments

+ Number of factories: 03 factories

- Lai Chau- Vimico Rare Earth Joint Stock Company:

+ Number of departments: 02 departments

- Cao Bang Mineral and Metallurgical Joint Stock Company:

+ Number of departments: 04 departments

+ Number of factories: 02 factories

4.3 Management work on resource

4.4 Management work on technology

a. Some targets on technology, quality of products until year 2020

b. For exploitation

c. For technology on selecting minerals

d. For metallurgical technology

e. For M & E technology and transportation

g. Management work on investment

- Promote the implementation progress on exploitation project, mineral processing which are started before 01/01/2017, including: (i) Project on extending and lifting the capacity of Copper

Mine Sin Quyen- Lao Cai, (ii) Project on extending and lifting the capacity of Lao Cai Copper Factory, (iii) Project on exploiting copper mine (Vi Kem, Bat Xat, Lao Cai), (iv) Project on renovating and upgrading the quality of Thai Nguyen Zinc Electrolysis Factory, (v) Project on exploiting iron ore mine (Lang Vinh- Lang Co, Van Ban, Lao Cai), (vi) Project on exploiting and processing rare earth (Dong Pao, Lai Chau), (vii) Project on exploiting tin (Tay Nam Nui Phao), (viii) Project on exploiting zinc- lead mine (Cuc Duong)

- Focus on preparing to invest some projects on exploiting and processing minerals which are started after year 2017, including: (i) Project on exploiting tunnel at Copper Mine Sin Quyen, Lao Cai, (ii) Project on extending and lifting the capacity of zinc- lead mine Cho Dien, (iii) Project on extending and lifting the capacity of zinc- lead mine Lang Hich

4.5 Management work on expense

- Continue implementing the business coordination mechanism with TKV following the regulations at the charter of TKV

- Production cost of some major products decreases by maximize 3%/ year. Continue completing solutions on saving costs of materials, electricity, administration expense and increasing productivity.

- From year 2018, implement the internal selling- purchasing price between TKV and the Corporation for some major products following the plan on business coordination with TKV and the internal administration regulations of the Corporation

- Continue implementing the internal selling- purchasing price between the holding company- the Corporation and the subsidiaries of the Corporation

- Build and issue the economic-technical norms, expense norms, price following each period for some major products such as copper, tin, zinc... applied in the Corporation

4.6 Management work on finance

- Finance ratio until year 2020:

+ Payable/owners' equity: < 2 (times in which the holding company- the Corporation < 2 times)

+ Current liquidation ratio: ≥ 0.5 time

- Maintain the scale of charter capital of the holding company- the Corporation in accordance with the need of capital use. The rate of dividend distributed to shareholders tries to achieve higher than interest of term savings (12 months) of VietinBank

- Arrange and balance the long- term resource to implement the investment projects following the plan and progress which are approved. Focus on arranging mid- term capital, long- term capital, short- term capital for branches and/or authorize entities to mobilize capital. Restructure borrowings to reduce financial expense of the Corporation

- Recovery, reduce receivables account, not incur overdue receivables. Monitor targets, financial ratio of the subsidiaries

- Manage closely cash flow through implementing the forecasting work on capital need in cash and cash flow in order to identify and balance real needs on capital and cash flow in the daily business and production operations of the Corporation, reduce financial expense, strengthen the effectiveness of capital use.

- Implement the mechanism on assigning rate of profit/o owners' equity for branches, subsidiaries of the Corporation from year 2018

4.8. Management work on supplies

4.9. Management work on labor and development work on human resources

III. Implementation

1. The Corporation

2. The capital representative of the Corporation at Joint Stock Company

Article 3: Board of Directors, General Manager and related departments are responsible for implementing this Resolution.

March

2015



INFORMATION DISCLOSURE

INITIAL PUBLIC OFFERING
ON HANOI STOCK EXCHANGE

TỔNG CÔNG TY KHOÁNG SẢN – VINACOMIN
VINACOMIN - MINERALS HOLDING CORPORATION



BIDV SECURITIES COMPANY



increased significantly whereas there is no increase in current assets because the projects have yet to come into production, meanwhile, a part of equity is used for investments, leading to the fact that the assistance for current assets is transferred to current resource. This tendency will be improved when the large-scale projects of the Corporation come into production and business to create revenues.

3.3. Vimico's position in the industry

a. Vimico's position

Currently, Vinacomin - Minerals Holding Corporation is a specially-ranked State-owned enterprise and takes the leading position in the country in terms of mining, screening, smelting, producing, processing of minerals, non-ferrous and rare metals such as copper, tin, zinc, lead, gold, silver... The Corporation is the first unit in Vietnam to operate in the production of cathode copper and zinc ingot from ores, and is also one of the units with a relatively advanced technology process, closely associated from the mining to the deep processing of final products such as cathode copper, raw gold.

Currently, the Corporation is one of the leading businesses in the field of mineral and non-ferrous metal mining, processing in Vietnam. The other companies such as Ban Phuc Nikel Mine Co., Ltd (Ban Phuc mine); Viet Mineral Exploitation and Processing JSC., (VMPCo); Tay Giang Industry Group Joint Stock Company (TG Group); Tay Bac Mineral Investment JSC., or Masan Group (Nui Phao mine) with product items related to copper/gold, but the total exploitable output is not significant (reserves of copper in Ban Phuc can be converted into about 45,000 tons, reserves of copper in Nui Phao mine can be converted into about 110,000 tons and its gold can be converted into approximately 11.7 tons). Ban Phuc is currently under construction while Nui Phao mine only produces ore concentrate, and has not processed yet /does not process them into copper; products of Viet/Tay Giang/Tay Bac Mineral are manganese, lead, zinc, copper, iron, antimony, molybdenum concentrates, etc. but the output is not significant.

Vinacomin - Minerals Holding Corporation now is facing the competition from mining businesses at home and abroad, including main competition from other mineral mining and processing companies. The direct competitors in the localities are mostly small companies in terms of scale of production, obsolescence of technology and equipment. Moreover, these companies are not granted the large mineral mines, so they usually do not dare to venture or they are not reliable enough to raise large funds from credit institutions.

Compared with other businesses, Vimico is capable of deep processing (copper, zinc, tin) with large scale, while currently most other businesses have only focused on the ore concentrate production or low capacity of deep processing. Vimico's OAE have many years of experience in the field of mineral investigating, mining, processing, staff of skilled managers, workers mastering technology. Vimico holds a good brand of main products. However, recently, many businesses of Vietnam such as Masan, Hoa Phat, Viet Phuong, Chien Cong, VIDIFI, Viet Mineral... and foreign companies (China, Australia, Japan ...) who have joined together to form a large force with the strength of finance, technology are great competitors to Vimico.



b. Prospect and development orientation of the industry:

Vietnam's mineral resources are relatively plentiful and diverse. Topping the chain of production value, mineral industry supplies the input for many production, fabrication and construction industries.

Therefore, the development of the world economy in general and Vietnam's economy in particular will create significant demand for products of mineral industry. Anticipation of the growth of the world and Vietnam's economy in the coming years has showed that the demand for raw materials for production is very high, so the development potential of mineral industry is large. China is not only a supplier but also the largest mineral consumption country in the world. For Vietnam, China is a largest trading partner and it is considered as a country with the biggest potential of economic development today and has the geographical location near Vietnam. China's increasing demand for mineral import will boost the mineral industry of Vietnam.

However, most of the mineral mining businesses of Vietnam have not properly invested in technique, mainly applied the system of open-pit and manual mining, causing the waste of natural resources and affecting the ecological environment. To deal with the problem of waste of mineral resources and reserves for future development, the Prime Minister approved the mineral development strategy of Vietnam by 2020, with a vision towards 2030, accordingly:

 Some viewpoints and instructions for mineral mining development as follows:

- ✓ The mineral investigation and mining shall be associated with processing and use so as to make it appropriate with the potential of each type of mineral and need of the economic sectors;
- ✓ Mineral processing shall be conducted by using the advanced and eco-friendly technology to create products with high economic value, improve the mineral recovery ratio and mineral deep processing rate.
- ✓ Promoting international cooperation to acquire modern science, apply advanced technology in mineral investigation, mining and processing.
- ✓ Encouraging economic sectors to invest in mineral investigation, mining, and processing on the basis of compliance with the provisions of the law on mineral processing activities, ensure labour safety and protection of natural resources. Piloting the auction of mineral investigating and mining rights to widely implement the above management method.

c. Assessment on the suitability of the Corporation's development orientation with the industry's development orientation and the State's policies

Basically, Vimico's development orientation is suitable with the prospect and development orientation of the industry, and the policies of the State. This facilitates the Corporation to get opportunity to develop and receive the support of the State competent authorities. The Corporation does believe that with the advantages of tradition, brand, experience in production and processing of non-ferrous metals, the solidarity of the OAE of the Corporation as well as the support and facilitation of Vietnam National Coal – Mineral Industries Group as well as the positive changes of non-ferrous metals market in the world in the coming years, especially the model transformation into joint stock company, all will help the Corporation complete the set-out targets, make profits in business and production activities,



PART 3. CORPORATE DEVELOPMENT ORIENTATION AFTER EQUITIZATION

1. MODEL OF ORGANIZATION AND ACTIVITIES AFTER EQUITIZATION

1.1. Name and basic information

Vietnamese name: Tổng công ty Khoáng sản TKV - CTCP
English name: Vinacomin - Minerals Holding Corporation
Short name: TKV - Minerals Corporation
Abbreviation: Vimico
Headquarters: 193 Nguyen Huy Tuong, Thanh Xuan Trung ward, Thanh Xuan district, Hanoi
Tel: (84.4) 6287 6666
Fax: (84.4) 6288 3333
Website: www.vimico.vn
Email: vimico@hn.vnn.vn
Logo:



Expected business lines after equitization:

The Joint Stock Company inherits the business lines from Minerals Holding Company – One Member Company Limited, in which abolish 07 business lines and adding 04 business lines, specifically as follows:

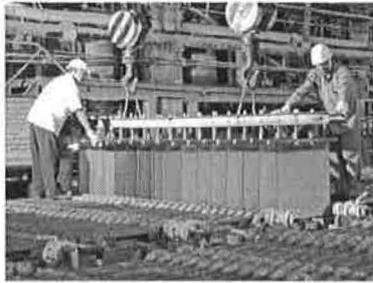
Abolished business lines

No.	Business lines
1	Transportation of goods by inland waterway
2	Transportation of passengers by inland waterway
3	Transportation of goods by road
4	Transportation of other passengers by road
5	Transportation of goods by railways

FTAs with copper-producing nations poses threat: Hind Copper

India's free trade pacts with copper producing nations have posed a threat to the domestic industry, state-owned Hindustan Copper (HCL) has said, asking the industry to be innovative to meet future challenges. "Import of finished copper is increasing over the years. Free trade agreements with copper-producing countries have posed a challenge to the Indian copper industry," Hindustan Copper Ltd (HCL) said in Annual Report 2016-17. The copper market in India, the report said, is likely to remain positive with strong growth in key user segments, including power and construction.

On the back of improved economic activity in India, the demand of the metal is likely to grow at 6-7 per cent in coming years. Such high demand, the company said, is an offshoot of increasing urbanisation, development of industrial



corridors, smart city project, housing for all by 2022, national highway development and rail projects. The defence production policy to encourage indigenous manufacturing and ambitious green energy plans of the government are also seen to drive the metal demand. "In addition to this, there is a plan for green energy corridor for transmission of

renewable energy," Hindustan Copper said. The per capita copper consumption in the country is expected to rise to 1 kg by 2025, from the current 0.5 kg. The consumption figure for China currently is 6 kg and the world average is 2.7 kg. Import of finished copper is on the increase over the years. Three major players dominate the Indian copper scene -- HCL from the public sector and Hindalco and Sterlite Industries from the private space.

HCL is the only vertically integrated copper producer in the country. Hindalco and Sterlite Industries have set up port-based smelting and refining plants at Dahej in Gujarat and Tuticorin in Tamil Nadu, respectively. India has a total installed capacity of 9.9 lakh tonnes of refined copper production per annum., according to sources.

Vinacomin divestment opens large opportunities for investors



With the existing potential of Vimico and VVMI, two of Vietnam's leading precious metal mining and processing firms, Vinacomin's divestment from these two firms will open large-scale investment opportunities for investors in the mining industry.

At present, Vietnam National Coal and Mineral Industries Group (Vinacomin) owns a 98.06 per cent stake in Vinacomin Minerals Holding Corporation (Vimico) and a 98.19 per cent stake in Vinacomin-Vietbac Mining Industry Holding Corporation (VVMI). According to Vinacomin's divestment plan, it will divest 33.06 per

cent, equaling 66.12 million shares, from Vimico and 33.19 per cent, equaling 34.84 million shares, from VVMI.

Vimico - Vietnam's largest copper mining firm

The company, which is considered one of the key subsidiaries of Vinacomin in the mineral mining sector, specialises in exploiting a variety of mineral reserves, including gold, silver, copper, iron, tin, lead, and zinc. Copper is the primary item in the company's diversified portfolio.

According to Nguyen Tien Manh, general director of Vimico, the company is one of the few enterprises holding copper mining rights. Vimico currently owns the mining rights over Vietnam's largest copper reserve, the Sin Quyen copper complex that holds a reserve of 19.26 million tonnes of ore, and Vi Kem copper mine, which holds 5.15 million tonnes.

The Sin Quyen copper complex started operations in 2006 with a total investment capital of VND1.3 trillion (\$56.7 million). The complex sorts ores containing more than 0.8 per cent copper with a recovery rate

of 92-97 per cent due to cutting-edge technology and synchronous equipment.

Besides, Vimico owns controlling or partial stakes in 15 other mineral mines, many of which have long-term mining rights for precious metals.

As the selling price of metals have been recovering since 2006, Vimico has been reporting sparkling results. Notably, in the first eight months of this year, Vimico acquired VND3.54 trillion (\$150.6 million) in consolidated revenue and VND150.3 billion (\$6.56 million) in consolidated pre-tax profit, signifying increases of 46 and 75 per cent, respectively.

Vietcombank Securities Limited Company (VCBS) considers Vimico to have massive development potential due to the increasing demand for metal in general and copper in particular. VCBS expects that in 2017 Vimico will see soaring revenue and profit, expecting VND5.44 trillion (\$237.4 million) in revenue and VND263 billion (\$11.5 million) in profit.

This section is a compilation from various company press releases, business dailies, trade publications and Industry Websites.

Vietnam
SydneySingapore
New YorkTokyo
Londondetailed features (<https://finance.vietstock.vn/derivatives/futures.htm?languageid=2>) • VST Sector: full ar[Home \(/\)](#) / [Corporate A-Z \(/corporate-a-z\)](#) / [ksv](#) / [Profile \(/ksv/profile.htm\)](#) / [ownership-structure](#)[★ \(http://finance.vietstock.vn/ksv/ownership-structure.htm?languageid=1\)](http://finance.vietstock.vn/ksv/ownership-structure.htm?languageid=1)[\(/KSV-vinacomin-minerals-holding-corporation.htm\)](/KSV-vinacomin-minerals-holding-corporation.htm)  

Stock code, key words

Symbol

Industry

Vinacomin - Minerals Holding Corporation (UPCoM: KSV (/KSV-vinacomin-minerals-holding-corporation.htm))

Industry:

Mining, Quarrying, and Oil and Gas Extraction (/200-industry-mining-quarrying-and-oil-and-gas-extraction.htm)/ **Mining (except Oil and Gas) (/202-industry-mining-except-oil-and-gas.htm)**/ **Metal Ore Mining (/2022-industry-metal-ore-mining.htm)** Margin trading (/corporate-a-z/no-margin-trading) FTSE Vietnam ETF (/corporate-a-z/etf) V.N.M ETF (/corporate-a-z/etf)**12,800** ■

0 (0%)

09/03/2019 10:21

Trading

Open	-	Remain Bid	-
High	-	Remain Ask	-
Low	-	52Wk High	19,300
Vol	-	52Wk Low	9,300
Market Cap.	2,560	52Wk Avg Vol	187
Frng Buy	-	EPS*	423
Frng Owned(%)	0	P/E	30.26
Dividend		F P/E	8.71
Dividend Yield	-	BVPS	12,547
Beta	-	P/B	1.02

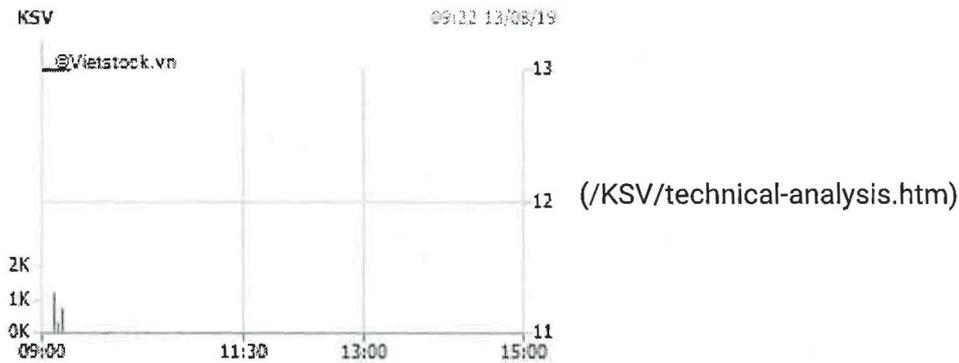
* EPS in the company's latest annual Financial Statement

View with **KSV: GVR** (<https://finance.vietstock.vn/GVR-vietnam-rubber-group-joint-stock-company.htm>) **DPM** (<https://finance.vietstock.vn/DPM-petrovietnam-fertilizer-chemicals-corporation.htm>) **FTM** (<https://finance.vietstock.vn/FTM-duc-quan-investment-and-development-joint-stock-company.htm>) **GKM** (<https://finance.vietstock.vn/GKM-khang-minh-group-joint-stock-company.htm>) **ABC** (<https://finance.vietstock.vn/ABC-vmg-media-jsc.htm>)



Trending: **VNM** (/VNM-viet-nam-dairy-products-joint-stock-company.htm) (22,545) - **MWG** (/MWG-mobile-world-investment-corporation.htm) (21,251) - **HPG** (/HPG-hoa-phat-group-joint-stock-company.htm) (19,444) - **MBB** (/MBB-military-commercial-joint-stock-bank.htm) (16,477) - **FPT** (/FPT-fpt-corporation.htm) (16,045)

1 day | 5 day | 3 months | 6 months | 12 months



Overview (/KSV-vinacomin-minerals-holding-corporation.htm)

Trading Data (/KSV/transaction-statistics.htm) Technical Analysis (/KSV/technical-analysis.htm)

Financials (/KSV/financials.htm) Profile (/KSV/profile.htm) News & Events (/KSV/news-event.htm)

Industry Peers (/KSV/related-companies.htm) Documents (/KSV/documents.htm)

Ownership Structure



Time	Shareholder	Share	Holding %	Notes	Chart
12/31/2018	Domestic individuals	3,882,100	1.94		

Time	Shareholder	Share	Holding %	Notes	Chart
12/31/2017	Domestic individuals	3,882,100	1.94		
	State-owned shareholders	196,117,900	98.06	TĐ Công nghiệp Than - Khoáng sản Việt Nam	

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THE MINERAL INDUSTRY OF VIETNAM

By Yolanda Fong-Sam

Vietnam is endowed with many mineral deposits distributed throughout the country, including deposits of antimony, barite, bauxite, bismuth, coal, copper, fluor spar, nickel, rare earths, silica sand, silver, tin, titanium, tungsten, zinc, and zircon. In 2015, Vietnam was a major producer of bismuth (19.4% of the world's total production), tungsten (6.3%), tin (2%), and cement (1.6%) (Anderson, 2017a, b; Shedd, 2017; van Oss, 2017). Other minerals produced in the country included antimony, barite, bauxite, chromite ore, coal, cobalt, natural gas, lead, manganese, nickel, phosphate rock, salt, titanium mineral concentrate, and zircon concentrate. Vietnam's production of processed minerals included refined copper, rolled steel, refined tin, and zinc. A complete list of mineral commodities produced in Vietnam can be found in table 1.

Minerals in the National Economy

The output value of the mining and quarrying sector in 2015, which included nonfuel minerals, increased by 3.1% to an estimated \$11,090 million¹ (in 2010 constant dollars) from \$10,754 million in 2014. In 2015, the mining and quarrying sector made up about 8.4% of the country's total estimated gross domestic product (GDP) of \$132.6 billion (in 2010 constant dollars) and was the fifth-ranked sector in terms of contribution to the GDP (General Statistics Office of Vietnam, 2015b).

According to the General Statistics Office of Vietnam, the number of employees working in the mining and quarrying sector in 2015 was approximately 238,000, which accounted for less than 1% of the total number of employed individuals in the country. Investments in the mining and quarrying sector for 2015 increased by 9.8% to an estimated \$2,675 million (in 2010 constant dollars) compared with \$2,436 million in 2014 and represented about 5.6% of the total investment in the country (General Statistics Office of Vietnam, 2015a, c).

Government Policies and Programs

Decree No. 15/2012/ND-CP (Decree 15) of March 2012 designates the ministries and Government offices that oversee matters related to Vietnam's mineral industry. Decree 15 designates the Ministry of Industry and Trade (MIT), along with the Ministry of Natural Resources and the Environment (MONRE), as the responsible entities to coordinate provisions for the export of materials. The MIT sets the conditions and standards for the export of most minerals, with the exception of construction materials; exports of construction materials are coordinated by the Ministry of Construction. Under the MONRE, the General Department of Geology and Minerals processes applications for mining licenses and applications for mine closures, and the Office of the Council for Assessment of

National Mineral Resources certifies the validity of mineral-resource assessments (Mayer Brown JSM, 2012a, b).

In 2015, the Government of Vietnam continued with its creation and approval of decisions and decrees that support the implementation of the 2010 Mineral Law. The 2010 Mineral Law is the legislation that regulates the mineral industry in Vietnam, and it became fully effective in July 2011. The 2010 Mineral Law replaced the 1996 Mineral Law, as amended in 2005.

In 2015, the Government of Vietnam issued Decree No. 12/2015/ND-CP (February 12, 2015) and Circular No. 26/2015/TT-TC (February 27, 2015), which provided a new method to calculate the royalty rate for gold producers operating in Vietnam. Decree 12 and Circular 26 allow for a considerable amount of the operational costs to be deducted before the 15% royalty on gold is applied. Decree 12 clarifies the Law on Royalty and amends Decree 50 (Guiding Law on Royalty), which came into effect on July 1, 2010 (Besra Gold Inc., 2015a; DFDL Consultants, 2015a).

On March 30, 2015, Directive No. 03/CT-TTg was issued to tighten the control over mineral production and strengthen the implementation of policies and the regulation of minerals. Directive No. 03 mandates that entities that plan to invest or establish a mineral-processing plant in Vietnam must conduct a geologic survey of the area, complete mineral exploration to determine material sourcing, and establish mineral import contracts. The mining license holder is required to use appropriate techniques to process minerals, maximize production according to the plant's production capacity, and comply with environmental protection requirements. Directive No. 3 also designates which various Government agencies are to oversee different aspects of the mineral industry, such as that the Department of Geology and Minerals will coordinate with tax agencies to thoroughly monitor the quantity of minerals mined in Vietnam by license holders; the Ministry of Finance will oversee the General Department of Customs (which is tasked with inspecting exports and applying measures to prevent mineral export fraud); and the Ministry of Defense will direct Vietnam's border guards, marine police, and other agencies to monitor and thwart illegal mineral trade across the country's borders (DFDL Consultants, 2015b; Le & Tran, 2015, p. 25-26; Vietnam Law & Legal Forum, 2015a).

Under Directive No. 3, no new gold exploration and exploitation licenses are to be issued; small-scale mineral exploration licenses are to be limited (with the purpose of eventually stopping the granting of these licenses), the export of unprocessed minerals is prohibited, and the export of minerals is limited to high-value-added (processed) minerals, as stipulated in Circular No. 41/2012/TT-BTC of December 21, 2012. Minerals allowed to be exported are specified in Circular 41, which also specifies the conditions under which the minerals may be exported, such as the quality of the exported material

¹Where necessary, values have been converted from Vietnam dong (VND) to U.S. dollars (US\$) at the average annual exchange rate of VND21,682=US\$1.00 for 2015 and VND20,995=US\$1.00 for 2014.

(must contain a minimum percentage of mineral content in the ore in order to be processed), whether the minerals must be processed (to encourage domestic processing of ore), and that the material must have been mined legally in mines with valid licenses or imported lawfully. Under Circular 41, the mineral commodities allowed to be exported include products processed from bauxite and titanium ores, refined products (such as bismuth, copper, fluoride, nickel, and wolframite), and industrial mineral powders (such as barite, rare-earth oxide, and white marble) (General Department of Vietnam Customs, 2012; DFDL Consultants, 2015b; Le & Tran, 2015, p. 25–26).

On November 11, 2015, the MIT released a draft proposal for a circular, which, if approved, would further detail the conditions for mineral exports. The proposed circular would establish that only businesses that are (1) legally operating under the country's Law on Enterprises, (2) in good standing and complying with commodity processing and trading conditions established under the Commercial Law, and (3) partnered with foreign parties approved by the Commercial Law are allowed to export. Other specifics include that mineral export licenses would not be granted to enterprises suspended from export activities nor to those that have committed violations of the laws on minerals, mineral exports, and (or) environmental protection. Mineral products eligible for export must have traceable, legal origins and have been processed according to quality standards. According to the Law on Nuclear Energy, companies wishing to export products containing thorium or uranium in concentrations of 0.05% or higher must obtain an export license approved by the Ministry of Science and Technology. For each exported shipment, the exporter must provide all documentation required by customs law in addition to submitting a product quality declaration or a standard conformity analysis certificate. Exporters are also required to provide records of the amounts of their previous mineral exports. Customs export clearances would be granted to shipments that have passed customs inspection and, when necessary, the shipments would be sampled and tested, at the exporters' expense, using the Vietnam Laboratory Accreditation Scheme. Results deemed noncompliant would be reported as a violation to the People's Committee at the Province level and to the Ministry of Industry and Trade, and the company would be fined according to current regulations and prohibited from exporting minerals. The draft also had a provision that, by the year 2020, the mineral commodities permitted for export would be limited to four—ilmenite, synthetic rutile, titanium slag, and white marble lump (Vietnam Law & Legal Forum, 2015b).

Production

In 2015, mineral production increased for fluor spar (by about 230%), nickel (25.6%), tungsten (24.4%), and cobalt (24.2%). The increases in the production of fluor spar and tungsten were owing mainly to the first full year in production at Masan Resources Corp.'s Nui Phao polymetallics project. The increases in cobalt and nickel were owing mainly to high ore grades mined in Asian Mineral Resources (AMR) of Canada's Ban Phuc nickel mine, which started commercial operations in mid-2013. Other production increases were reported for phosphate rock (11.6%), cement (10.6%), and salt

(9.4%). Production decreased for zircon mineral concentrate (by 60%), titanium concentrate (49.5%), ferrotungsten (48%), lead (33.5%), iron ore (17.7%), and antimony (9.3%). Data on mineral production are in table 1.

Structure of the Mineral Industry

Government-owned corporations were the main operators and (or) majority stakeholders of many of the mining facilities operating in Vietnam. Vietnam National Coal and Mineral Industries Group (VINACOMIN), which is Government owned, was the main operator for facilities in the alumina, bauxite, and copper sectors. Table 2 is a list of major mineral industry facilities, which are dominated by Government-owned enterprises.

Mineral Trade

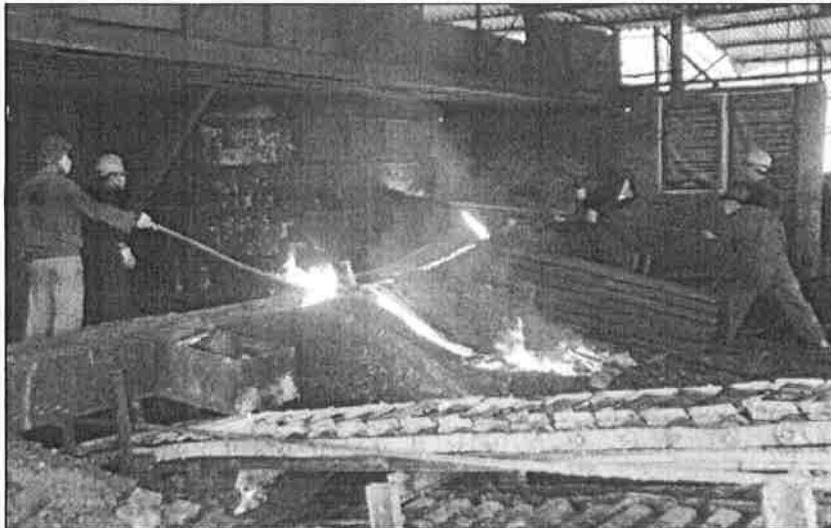
In 2015, total trade in Vietnam increased by approximately 10% to \$327.6 billion from \$298.1 billion (revised) in 2014. The total value of exports for 2015 was about \$162 billion compared with \$150.2 billion in 2014 (an increase of about 8%). Exports of crude petroleum, by volume, decreased by 1.3% to 67.5 million barrels (Mbb) in 2015 from 68.4 Mbb in 2014. In terms of value, exports of crude petroleum decreased by approximately 49% to about \$3.7 billion in 2015 from \$7.2 billion in 2014. Additionally, exports of coal, in terms of tonnage, decreased by about 76% to approximately 1.7 million metric tons (Mt) in 2015 from about 7.3 Mt in 2014; in terms of value, coal exports decreased by 67% to \$185 million in 2015 from \$555 million in 2014. In 2015, the total value of imports increased by about 12% to \$165.6 billion from \$147.9 billion in 2014. Imports of iron and steel increased by 32% to about 15.5 Mt from 11.8 Mt in 2014, and imports of refined petroleum products increased by 20% to 74 Mbb from 61.7 Mbb in 2014. Imports of fertilizers increased by about 19% to 4.5 Mt in 2015 from 3.8 Mt in 2014. Data on the value of these commodities were not available (General Statistics Office of Vietnam, 2015d, g, h).

Vietnam's main trading partners in 2015 were China, Germany, Hong Kong, Japan, the Republic of Korea, Taiwan, Thailand, and the United States. The United States was Vietnam's leading export partner and received \$33.5 billion in Vietnamese goods, such as crude petroleum, iron and steel, and precious stones, which represented about 21% of Vietnam's total exports. The second-ranked recipient of Vietnam's mineral commodity exports was China, which received such goods as cement, coal, crude petroleum, and iron and steel, valued at \$17.1 billion (11% of Vietnam's total exports), followed by Japan, which received such goods as coal, crude petroleum, fertilizers, and iron and steel valued at \$14.1 billion (about 9% of Vietnam's total exports). Vietnam's imports came mainly from China, which supplied such goods as coal, fertilizers, iron and steel, liquefied petroleum gas, and petroleum valued at about \$49.5 billion (about 30% of Vietnam's total imports), followed by the Republic of Korea, which supplied such goods as fertilizers, iron and steel, liquefied petroleum gas, petroleum, and precious stones valued at \$27.6 billion (17% of total imports), and Japan, which supplied such goods as coal, fertilizers, iron and steel, petroleum, and precious stones valued

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Vinacomin plans public offering in order to raise charter capital

Update: April, 15/2015 - 09:28



By April 1, 2014, the Government had invested more than VND2 trillion (US\$92.6 million) in VIMICO. The firm's charter capital after the IPO is expected to reach exactly VND2 trillion (\$92.6 million). — Photo *nangluongvietnam*

HA NOI (VNS) — The Vinacomin - Minerals Holding Corporation (VIMICO) will hold its initial public offering on April 23 on the Ha Noi Stock Exchange (HNX).

The firm will offer nearly 46.7 million shares, equal to 23.34 per cent of the firm, at a price of VND10,500.

After the is IPO completed, the state will hold a 75 per cent of stake in the firm, and the employees will hold a 1.66 per cent share.

By April 1, 2014, the Government had invested more than VND2 trillion (US\$92.6 million) in VIMICO. The firm's charter capital after the IPO is expected to reach exactly VND2 trillion (\$92.6 million).

From 2011-14, VIMICO recorded revenues from VND2.4-3.2 trillion (\$111-148 million), but its after-tax profits decreased from VND227 billion (\$10.5 million) to VND101 billion (\$4.67 million). Its return-on-equity (ROE) also fell from 15.2 per cent to 6.9 per cent.

From 2015-17, the firm expects to make a revenue of VND4.32-5.84 trillion (\$200-270 million), and increase its after-tax profits from VND55.3 billion to VND106.7 billion (\$2.56-4.94 million). It also expects its ROE to rise from 3 per cent to 6 per cent. The firm also plans to pay dividends between 2 and 4 per cent.

After the IPO, VIMICO will implement important projects in Lao Cai, including a VND2.56 trillion (\$118.5 million) plan to expand and improve the capacity of the Sin Quyen copper mine in Bat Xat District, VND3.95 trillion (\$182.8 million) to improve the capacity of its Lao Cai copper factory, and VND594 billion (\$27.5 million) to build the Vi Kem copper mine in Bat Xat District.

VIMICO is a state-owned corporation that operates in mining and processing noble and precious metals such as gold, copper and silver using modern technologies to produce end products such as golden and copper sheets.

VIMICO has 14 subsidiaries which operate in mining and processing metals, running hotels and transportation companies, selling materials and equipment for mining business, and managing real-estate projects.

VIMICO also has four associate companies that buy and sell gold, silver and gemstones, produce and sell construction materials, and mine and process minerals. — VNS



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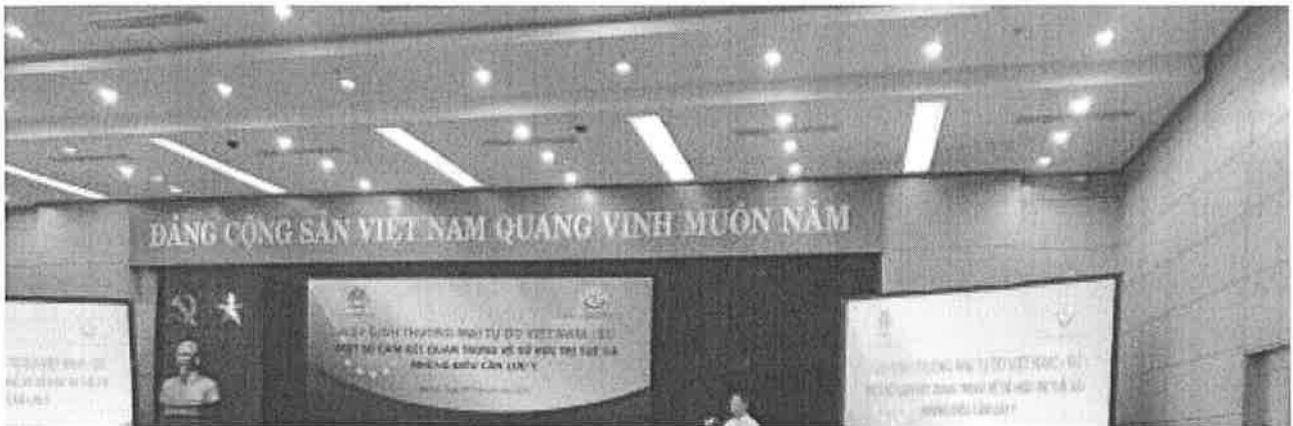
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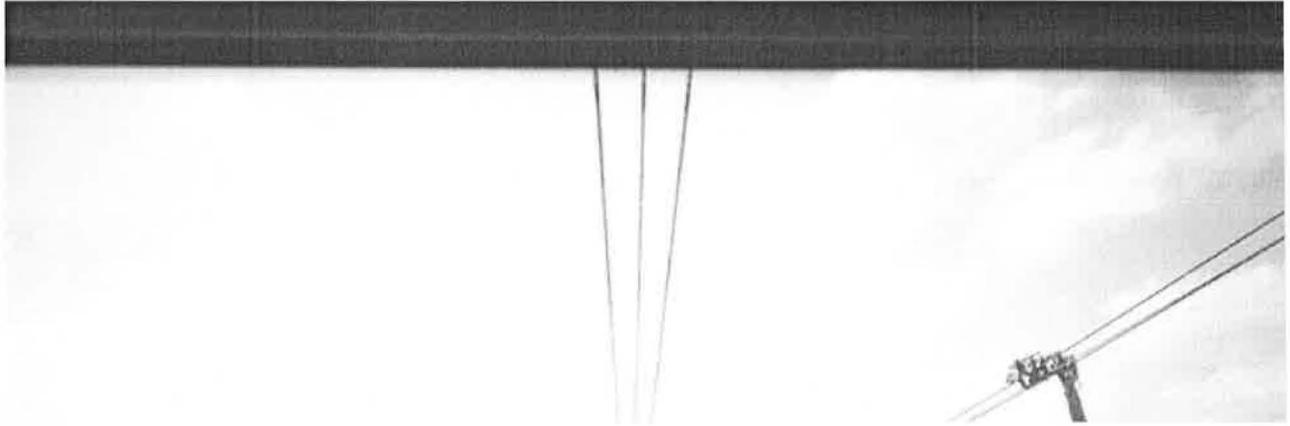
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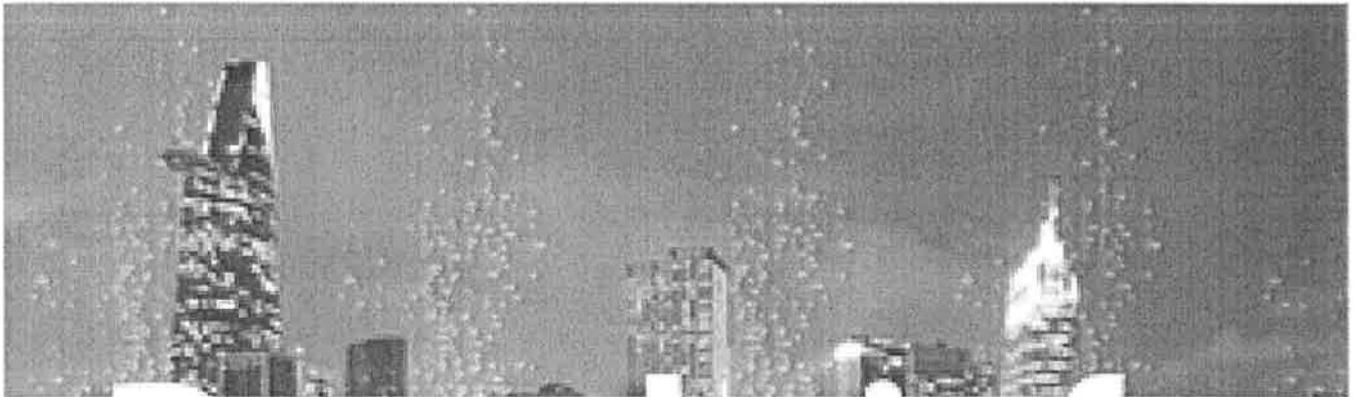
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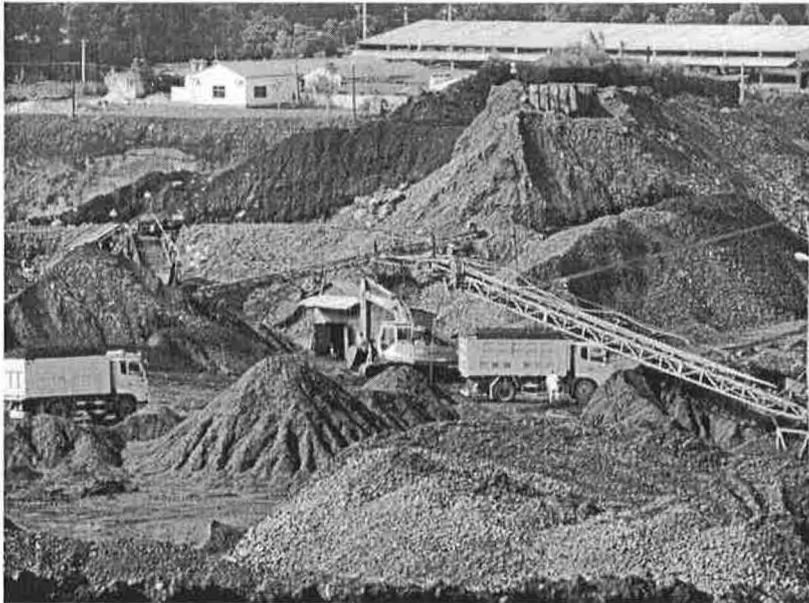
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Vinacomin divestment opens large opportunities for investors

16:22 | 29/09/2017

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With the existing potential of Vimico and VVMI, two of Vietnam's leading precious metal mining and processing firms, Vinacomin's divestment from these two firms will open large-scale investment opportunities for investors in the mining industry.



Vimico and VVMI are both promising investment opportunities (Illustration image)

At present, Vietnam National Coal and Mineral Industries Group (Vinacomin) owns a 98.06 per cent stake in Vinacomin Minerals Holding Corporation (Vimico) and a 98.19 per cent stake in Vinacomin-Vietbac Mining Industry Holding Corporation (VVMI). According to Vinacomin's divestment plan, it will divest 33.06 per cent, equaling 66.12 million shares, from Vimico and 33.19 per cent, equaling 34.84 million shares, from VVMI.

Vimico—Vietnam's largest copper mining firm

Vimico completed the equitisation in 2015 and its shares were listed on UpCOM in 2016.

The company, which is considered one of the key subsidiaries of Vinacomin in the mineral mining sector, specialises in exploiting a variety of mineral reserves, including gold, silver, copper, iron, tin, lead, and zinc. Copper is the primary item in the company's diversified portfolio.

According to Nguyen Tien Manh, general director of Vimico, the company is one of the few enterprises holding copper mining rights. Vimico currently owns the mining rights over Vietnam's largest copper reserve, the Sin Quyen copper complex that holds a reserve of 19.26 million tonnes of ore, and Vi Kem copper mine, which holds 5.15 million tonnes.



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The Sin Quyen copper complex started operations in 2006 with a total investment capital of VND1.3 trillion (\$56.7 million). The complex sorts ores containing more than 0.8 per cent copper with a recovery rate of 92-97 per cent due to cutting-edge technology and synchronous equipment.

Besides, Vimico owns controlling or partial stakes in 15 other mineral mines, many of which have long-term mining rights for precious metals.

As the selling price of metals have been recovering since 2006, Vimico has been reporting sparkling results. Notably, in the first eight months of this year, Vimico acquired VND3.54 trillion (\$150.6 million) in consolidated revenue and VND150.3 billion (\$6.56 million) in consolidated pre-tax profit, signifying increases of 46 and 75 per cent, respectively.

Vietcombank Securities Limited Company (VCBS) considers Vimico to have massive development potential due to the increasing demand for metal in general and copper in particular. VCBS expects that in 2017 Vimico will see soaring revenue and profit, expecting VND5.44 trillion (\$237.4 million) in revenue and VND263 billion (\$11.5 million) in profit.

VVMI—the corporation holding the rights over two-thirds of domestic coal reserves

The company is one of the four leading coal exploitation enterprises of Vinacomin, carrying the chartered capital of VND1.05 trillion (\$45.8 million).

It specialises in coal, cement, construction materials, mechanical businesses. It currently manages and exploits three large-scale coal mines, making up two-thirds of Vietnam's coal reserves, namely Na Duong in the northern province of Lang Son, Nui Hong and Khanh Hoa in the northern province of Thai Nguyen.

According to Tran Hai Binh, general director of VVMI, these three coal mines are included in the Vietnam coal industry development planning to 2020 with vision to 2030. 80 per cent of VVMI's annual exploited coal volume is served for thermal power plants, namely Na Duong, Cao Ngan, and An Khanh, and another 10-15 per cent goes to cement manufacturing factories, namely La Hien, Quan Trieu, and Tan Quang.

Thanks to the recovering selling prices of coal and cement, VVMI's business results have been improving since 2015. Notably, in the first six months of this year, VVMI has earned VND1.88 trillion (\$82.1 million) in consolidated revenue and VND30.7 billion (\$1.34 million) in consolidated pre-tax profit. The figures are expected to reach VND4.3 trillion (\$187.7 million) and VND93.8 trillion (\$4.09 million) for the whole year.

According to VCBS' expectations, along with VVMI's stable output of over 80 per cent of the exploited coal volume, the company's long-term development potential are shown by commitments of launching Na Duong 2 mine by 2020 as well as increasing the exploitation capacity of Khanh Hoa mine.

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Vinacomin to divest 33 per cent of Vietnam's top copper mining firm

15:09 | 20/09/2017

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State-run mining group Vinacomin intends to sell roughly one third of the total takes in Vietnam's top copper mining firm Vimico, prior to a roadshow introducing the company to potential investors in late September.



Vinacomin will divest 33.06 per cent of Vimico

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Vinacomin Minerals Holding Corporation (Vimico) is one of the leading businesses under the management of Vietnam National Coal and Mineral Industries Group (Vinacomin), focusing on precious metal mining and processing.

Equitised and operated as a joint stock company since October 6, 2015, as well as listed under the ticker KSV on the UPCoM of Hanoi Stock Exchange (HNX) since July 28, 2016, Vimico is flying under the radars of the domestic stock market and investors.

Rights over Vietnam's largest copper reserve

Currently, Vimico is exploiting numerous mineral reserves, including gold, silver, copper, iron, tin, lead,

To introduce Vimico to prospective investors, a roadshow held by Vinacomin

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and zinc. Copper is the primary item in the the company's diversified portfolio.

Vimico is now the leading company in copper mining and processing due to owning mining rights in Vietnam's largest copper reserve, the Sin Quyen copper complex.

The Sin Quyen copper complex is located in Bat Xat district, Lao Cai province, close to the Chinese border. The copper reserve amounts to roughly 17.3 million tonnes of ore, equivalent to around 200,000 tonnes of metal.

In 2003, Vimico officially started the implementation of the Sin Quyen copper complex, one of the biggest metal processing projects at the time. The complex is divided into two zones, the selected reserve situated in Bat Xat district and the metallurgy plant situated in Tang Loong Industrial Park, Bao Thang district.

After three years of works, the Sin Quyen copper complex officially started operation in 2006. The complex sorts ores containing more than 0.8 per cent copper with a recovery rate of 92-97 per cent due to cutting-edge technology and synchronous equipment. Copper selection and metallurgy productivity achieved 1.1 million tonnes of ores and 10,000 tonnes of copper per year.

Due to investment in the complex's synchronous selection and metallurgy lines, Vimico became a top domestic firm in operating a self-contained process manufacturing chain, from mining and selecting to processing ores into copper.

Upcoming roadshow

During 2013-2016, the global copper price constantly dropped, significantly affecting Vimico's business performance. However, since late 2016, copper prices recovered and started soaring due to the surging copper demand in China—the world's largest copper consumer. Meanwhile, copper supply plunged after multiple reserves were forced to close as a consequence of the price drop and policies constraining ore export issued by some leading copper mining countries.

Along with the recovery in price, Vimico attained a consolidated revenue of VND2.57 trillion (\$113.34 million) during the first six months of 2017, a 45 per cent growth over of the corresponding period in 2016, and consolidated after-tax profit of VND100 billion (\$4.4 million) compared to the gross loss of VND45 billion in the same period of 2016.

To maintain its growth, the firm set a record target for 2017, including VND5 trillion (\$220 million) and VND250 billion (\$11 million) in consolidated revenue and before-tax profit, respectively.

Being the largest shareholder with 98.06 per cent of the shares, Vinacomin plans to divest 33.06 per cent of its stakes in Vimico, equivalent to 66.12 million shares.

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**will take place at 2 PM,
September 25 on the first floor,
Hanoi Stock Exchange, at 2
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**No fix for Kai Yang af
owners escaped with**

By Sam Luong

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THE MINERAL INDUSTRY OF VIETNAM

By Yolanda Fong-Sam

Vietnam is endowed with many mineral deposits distributed throughout the country, including deposits of antimony, barite, bauxite, bismuth, coal, copper, fluor spar, nickel, rare earths, silica sand, silver, tin, titanium, tungsten, zinc, and zircon. In 2015, Vietnam was a major producer of bismuth (19.4% of the world's total production), tungsten (6.3%), tin (2%), and cement (1.6%) (Anderson, 2017a, b; Shedd, 2017; van Oss, 2017). Other minerals produced in the country included antimony, barite, bauxite, chromite ore, coal, cobalt, natural gas, lead, manganese, nickel, phosphate rock, salt, titanium mineral concentrate, and zircon concentrate. Vietnam's production of processed minerals included refined copper, rolled steel, refined tin, and zinc. A complete list of mineral commodities produced in Vietnam can be found in table 1.

Minerals in the National Economy

The output value of the mining and quarrying sector in 2015, which included nonfuel minerals, increased by 3.1% to an estimated \$11,090 million¹ (in 2010 constant dollars) from \$10,754 million in 2014. In 2015, the mining and quarrying sector made up about 8.4% of the country's total estimated gross domestic product (GDP) of \$132.6 billion (in 2010 constant dollars) and was the fifth-ranked sector in terms of contribution to the GDP (General Statistics Office of Vietnam, 2015b).

According to the General Statistics Office of Vietnam, the number of employees working in the mining and quarrying sector in 2015 was approximately 238,000, which accounted for less than 1% of the total number of employed individuals in the country. Investments in the mining and quarrying sector for 2015 increased by 9.8% to an estimated \$2,675 million (in 2010 constant dollars) compared with \$2,436 million in 2014 and represented about 5.6% of the total investment in the country (General Statistics Office of Vietnam, 2015a, c).

Government Policies and Programs

Decree No. 15/2012/ND-CP (Decree 15) of March 2012 designates the ministries and Government offices that oversee matters related to Vietnam's mineral industry. Decree 15 designates the Ministry of Industry and Trade (MIT), along with the Ministry of Natural Resources and the Environment (MONRE), as the responsible entities to coordinate provisions for the export of materials. The MIT sets the conditions and standards for the export of most minerals, with the exception of construction materials; exports of construction materials are coordinated by the Ministry of Construction. Under the MONRE, the General Department of Geology and Minerals processes applications for mining licenses and applications for mine closures, and the Office of the Council for Assessment of

National Mineral Resources certifies the validity of mineral-resource assessments (Mayer Brown JSM, 2012a, b).

In 2015, the Government of Vietnam continued with its creation and approval of decisions and decrees that support the implementation of the 2010 Mineral Law. The 2010 Mineral Law is the legislation that regulates the mineral industry in Vietnam, and it became fully effective in July 2011. The 2010 Mineral Law replaced the 1996 Mineral Law, as amended in 2005.

In 2015, the Government of Vietnam issued Decree No. 12/2015/ND-CP (February 12, 2015) and Circular No. 26/2015/TT-TC (February 27, 2015), which provided a new method to calculate the royalty rate for gold producers operating in Vietnam. Decree 12 and Circular 26 allow for a considerable amount of the operational costs to be deducted before the 15% royalty on gold is applied. Decree 12 clarifies the Law on Royalty and amends Decree 50 (Guiding Law on Royalty), which came into effect on July 1, 2010 (Besra Gold Inc., 2015a; DFDL Consultants, 2015a).

On March 30, 2015, Directive No. 03/CT-TTg was issued to tighten the control over mineral production and strengthen the implementation of policies and the regulation of minerals. Directive No. 03 mandates that entities that plan to invest or establish a mineral-processing plant in Vietnam must conduct a geologic survey of the area, complete mineral exploration to determine material sourcing, and establish mineral import contracts. The mining license holder is required to use appropriate techniques to process minerals, maximize production according to the plant's production capacity, and comply with environmental protection requirements. Directive No. 3 also designates which various Government agencies are to oversee different aspects of the mineral industry, such as that the Department of Geology and Minerals will coordinate with tax agencies to thoroughly monitor the quantity of minerals mined in Vietnam by license holders; the Ministry of Finance will oversee the General Department of Customs (which is tasked with inspecting exports and applying measures to prevent mineral export fraud); and the Ministry of Defense will direct Vietnam's border guards, marine police, and other agencies to monitor and thwart illegal mineral trade across the country's borders (DFDL Consultants, 2015b; Le & Tran, 2015, p. 25-26; Vietnam Law & Legal Forum, 2015a).

Under Directive No. 3, no new gold exploration and exploitation licenses are to be issued; small-scale mineral exploration licenses are to be limited (with the purpose of eventually stopping the granting of these licenses), the export of unprocessed minerals is prohibited, and the export of minerals is limited to high-value-added (processed) minerals, as stipulated in Circular No. 41/2012/TT-BTC of December 21, 2012. Minerals allowed to be exported are specified in Circular 41, which also specifies the conditions under which the minerals may be exported, such as the quality of the exported material

¹Where necessary, values have been converted from Vietnam dong (VND) to U.S. dollars (US\$) at the average annual exchange rate of VND21,682=US\$1.00 for 2015 and VND20,995=US\$1.00 for 2014.

(must contain a minimum percentage of mineral content in the ore in order to be processed), whether the minerals must be processed (to encourage domestic processing of ore), and that the material must have been mined legally in mines with valid licenses or imported lawfully. Under Circular 41, the mineral commodities allowed to be exported include products processed from bauxite and titanium ores, refined products (such as bismuth, copper, fluoride, nickel, and wolframite), and industrial mineral powders (such as barite, rare-earth oxide, and white marble) (General Department of Vietnam Customs, 2012; DFDL Consultants, 2015b; Le & Tran, 2015, p. 25–26).

On November 11, 2015, the MIT released a draft proposal for a circular, which, if approved, would further detail the conditions for mineral exports. The proposed circular would establish that only businesses that are (1) legally operating under the country's Law on Enterprises, (2) in good standing and complying with commodity processing and trading conditions established under the Commercial Law, and (3) partnered with foreign parties approved by the Commercial Law are allowed to export. Other specifics include that mineral export licenses would not be granted to enterprises suspended from export activities nor to those that have committed violations of the laws on minerals, mineral exports, and (or) environmental protection. Mineral products eligible for export must have traceable, legal origins and have been processed according to quality standards. According to the Law on Nuclear Energy, companies wishing to export products containing thorium or uranium in concentrations of 0.05% or higher must obtain an export license approved by the Ministry of Science and Technology. For each exported shipment, the exporter must provide all documentation required by customs law in addition to submitting a product quality declaration or a standard conformity analysis certificate. Exporters are also required to provide records of the amounts of their previous mineral exports. Customs export clearances would be granted to shipments that have passed customs inspection and, when necessary, the shipments would be sampled and tested, at the exporters' expense, using the Vietnam Laboratory Accreditation Scheme. Results deemed noncompliant would be reported as a violation to the People's Committee at the Province level and to the Ministry of Industry and Trade, and the company would be fined according to current regulations and prohibited from exporting minerals. The draft also had a provision that, by the year 2020, the mineral commodities permitted for export would be limited to four—ilmenite, synthetic rutile, titanium slag, and white marble lump (Vietnam Law & Legal Forum, 2015b).

Production

In 2015, mineral production increased for fluor spar (by about 230%), nickel (25.6%), tungsten (24.4%), and cobalt (24.2%). The increases in the production of fluor spar and tungsten were owing mainly to the first full year in production at Masan Resources Corp.'s Nui Phao polymetallics project. The increases in cobalt and nickel were owing mainly to high ore grades mined in Asian Mineral Resources (AMR) of Canada's Ban Phuc nickel mine, which started commercial operations in mid-2013. Other production increases were reported for phosphate rock (11.6%), cement (10.6%), and salt

(9.4%). Production decreased for zircon mineral concentrate (by 60%), titanium concentrate (49.5%), ferrotungsten (48%), lead (33.5%), iron ore (17.7%), and antimony (9.3%). Data on mineral production are in table 1.

Structure of the Mineral Industry

Government-owned corporations were the main operators and (or) majority stakeholders of many of the mining facilities operating in Vietnam. Vietnam National Coal and Mineral Industries Group (VINACOMIN), which is Government owned, was the main operator for facilities in the alumina, bauxite, and copper sectors. Table 2 is a list of major mineral industry facilities, which are dominated by Government-owned enterprises.

Mineral Trade

In 2015, total trade in Vietnam increased by approximately 10% to \$327.6 billion from \$298.1 billion (revised) in 2014. The total value of exports for 2015 was about \$162 billion compared with \$150.2 billion in 2014 (an increase of about 8%). Exports of crude petroleum, by volume, decreased by 1.3% to 67.5 million barrels (Mbb) in 2015 from 68.4 Mbb in 2014. In terms of value, exports of crude petroleum decreased by approximately 49% to about \$3.7 billion in 2015 from \$7.2 billion in 2014. Additionally, exports of coal, in terms of tonnage, decreased by about 76% to approximately 1.7 million metric tons (Mt) in 2015 from about 7.3 Mt in 2014; in terms of value, coal exports decreased by 67% to \$185 million in 2015 from \$555 million in 2014. In 2015, the total value of imports increased by about 12% to \$165.6 billion from \$147.9 billion in 2014. Imports of iron and steel increased by 32% to about 15.5 Mt from 11.8 Mt in 2014, and imports of refined petroleum products increased by 20% to 74 Mbb from 61.7 Mbb in 2014. Imports of fertilizers increased by about 19% to 4.5 Mt in 2015 from 3.8 Mt in 2014. Data on the value of these commodities were not available (General Statistics Office of Vietnam, 2015d, g, h).

Vietnam's main trading partners in 2015 were China, Germany, Hong Kong, Japan, the Republic of Korea, Taiwan, Thailand, and the United States. The United States was Vietnam's leading export partner and received \$33.5 billion in Vietnamese goods, such as crude petroleum, iron and steel, and precious stones, which represented about 21% of Vietnam's total exports. The second-ranked recipient of Vietnam's mineral commodity exports was China, which received such goods as cement, coal, crude petroleum, and iron and steel, valued at \$17.1 billion (11% of Vietnam's total exports), followed by Japan, which received such goods as coal, crude petroleum, fertilizers, and iron and steel valued at \$14.1 billion (about 9% of Vietnam's total exports). Vietnam's imports came mainly from China, which supplied such goods as coal, fertilizers, iron and steel, liquefied petroleum gas, and petroleum valued at about \$49.5 billion (about 30% of Vietnam's total imports), followed by the Republic of Korea, which supplied such goods as fertilizers, iron and steel, liquefied petroleum gas, petroleum, and precious stones valued at \$27.6 billion (17% of total imports), and Japan, which supplied such goods as coal, fertilizers, iron and steel, petroleum, and precious stones valued

KSV: Board Resolution

On 15/03/2018, Vinacomin - Minerals Holding Corporation announced the Board Resolution as follows:

Article 1: Approve the content of the change in members of Board of Directors, General Manager of Vinacomin - Minerals Holding Corporation

Approve the content of the change in member of Board of Directors, General Manager of Vinacomin - Minerals Holding Corporation as follows:

1.1 Mr. Nguyen Tien Manh – Member of Board of Directors cum General Manager resigns the title member of Board of Directors from 16/03/2018 following the Decision No.391/QD-TKV issued on 12/03/2018.

Appoint Mr. Dang Duc Hung – Vice- General Manager to hold the title member of Board of Directors from 16/03/2018

Chair of Board of Directors is responsible for submitting the contents of the change in member of Board of Directors at Annual General Meeting of Shareholders of 2018 following the regulations of law.

1.2 Mr. Nguyen Tien Manh – General Manager resigns the title General Manager from 16/03/2018 following the Decision No. 393/QD-TKV issued on 12/03/2018

Appoint Mr. Trinh Van Tue – Member of Board of Directors cum Vice- General Manager to hold the title General Manager from 16/03/2018. The content of the change in General Manager shall be noticed at Annual General Meeting of Shareholders of 2018

Article 2: Approve supplementing the contents of voting to approve the plan on re-structuring Vinacomin - Minerals Holding Corporation in the period of 2017-2020 at Annual General Meeting of Shareholders of 2018

Board of Directors approves supplementing the contents of voting to approve the plan on re-structuring Vinacomin - Minerals Holding Corporation in the period of 2017- 2020 at Annual General Meeting of Shareholders of 2018 with the following contents:

I. Target**1. General target:****2. Specific target:**

Major targets must be achieved until 2020:

- Yield of copper: 30,000 tons/ year
- Yield of zinc: 15,000 tons/ year
- Yield of tin: 300 tons/ year
- Yield of gold: 1,050 tons/ year
- Average revenue: maximize increase by 6%/ year (including the holding company- the Corporation)
- Rate of profit after tax/owners' equity: balance to achieve the rate of dividend following the orientation of TKV and the decision of General Meeting of Shareholders

- Productivity: increase by maximize 5%/ year (including the holding company -the Corporation)
- Scale of labor following the yield: no more than 4,740 persons, in which the scale of labor of the holding company- The Corporation: not more than 2,650 persons
- Average income: increase by 5%/ year (including the holding company- the Corporation)
- Rate of dividend of the holding company- the Corporation: Try to achieve higher than interest of term- savings (12 months) of VietinBank

II. Content of restructure

1. Major business line:

- Probe, exploit, and process non-ferrous metal minerals, black minerals, non-metal minerals
- Process and produce jewelry, fine art

2. Share listing

Listing share of the holding company- the Corporation on the stock exchange in 2018 following the regulations

3. Plan on restructure enterprise, model of organization of the holding company- Vinacomin - Minerals Holding Corporation and the members of the Corporation in the period of 2017-2020

3.1 Principal of arrangement, restructure

- Arrange the subsidiaries following the proper clue structure, specialization on operations following the region, business line, and create conditions to the holding company- the Corporation to have effectiveness in business and production operations.
- The holding company- the Corporation holds shares at the enterprises which has operated in the industry on exploiting, processing minerals and had natural resources and mineral reserve with the large scale, advantaged products, effectiveness of business and production operations
- Divest the whole capital at the Subsidiaries which have operated un-effectively and the subsidiaries which have operated in the trading and service industry
- Divest the whole capital at the joint venture companies (apart from the companies which have advantages on location and management rights, land use rights)
- Arrange, structure the departments, factories at the subsidiaries to ensure the effectiveness
- Hold and re-arrange the subsidiaries level II in the Corporation following the regulations of Decree No. 69/2014/ND-CP issued on 15/07/2014

3.2 Plan on arranging, restructuring the enterprise and model of management

a. The holding company – the Corporation

- As Joint Stock Company which operates following the model of the holding company and the subsidiaries, in which TKV holds 65% of the charter capital at the holding company- the Corporation

- TKV divests a part of capital to decrease the holding rate at the holding company- the Corporation from 98.06% to 65% of the charter capital
- Entities belong to structure of the holding company- the Corporation:
 - + Copper Mine Sin Quyen, Lao Cai- Vimico Branch
 - + Luyen Dong, Lao Cai – Vimico Branch
 - + Viet Nhat- Vimico Gem Branch
- Re-arranged entities:
 - Cooperating with the Labor Union of the Corporation to terminate the operation of Center for Rehabilitation and Professional Diseases –Vimico
- b. Subsidiary
- Maintain the holding rate of the charter capital of the holding company- the Corporation at the companies:
 - + Thai Nguyen- Vimico Non-Ferrous Metals Joint Stock Company (51% of the charter capital)
 - + Mineral 3 Vimico Joint Stock Company (51% of the charter capital)
 - + Lai Chau Vimico Rare Earth Joint Stock Company (55% of the charter capital)
 - + Cao Bang Mineral and Metallurgical Joint Stock Company (51.89% of the charter capital)
- Divest the whole capital of the holding company- the Corporation at the companies:
 - + Cao Bang- Bang Giang Travel and Trading Joint Stock Company (51.31% of the charter capital)
 - + Real Estate and Mineral – TKV Joint Stock Company (56.99% of the charter capital)
 - + Nghe Tinh Non-Ferrous Metals Joint Stock Company (60.93% of the charter capital)
 - + Cao Bang Cast Iron and Steel Joint Stock Company (52.54% of the charter capital)
- Dissolute Lao Cai Cast Iron and Steel Investment Joint Stock Company, ensure the recovery and preservation on contribution capital (99.01% of the charter capital) of the Corporation
- c. Joint venture company
- Maintain the holding rate (48.31% of the charter capital) of the holding company- the Corporation at Hanoi Gem and Gold Joint Stock Company
- Divest the whole capital of the holding company- the Corporation at the companies:
 - + Lao Cai Gold Joint Stock Company (46.14% of the charter capital)
 - + Tan Quang- VVML Cement Joint Stock Company (13.71% of the charter capital)
- d. Hold and re-arrange Bac Kan Non-Ferrous Metals one- member Co. Ltd (Thai Nguyen – Vimico Non-Ferrous Metals Joint Stock Company holds 100% of the charter capital) following the regulations of Decree No. 69/2014/ND-CP issued on 15/07/2014

4. Restructure administration of enterprise

- 4.1. Research and apply the administration system on human resources (ERP) at the holding company- the Corporation
- 4.2. Consolidate the internal machine

a. Structure, number of departments and factories belong to the holding company- the Corporation: maximum 11 departments

b. Structure, maximum number of departments and factories of Branches which belong to the holding company- the Corporation

- Copper Mine Dong Sin, Lao Cai- Vimico branch:

+ Number of departments: 7 departments

+ Number of factories: 9 factories

- Luyen Dong Lao Cai- Vimico branch:

+ Number of departments: 07 departments

+ Number of factories: 10 factories

- VietNhat- Vimico Gem branch:

+ Number of departments: 02 departments

+ Number of factories: 1 factory

c. Structure, maximum number of departments, branches and factories of the subsidiaries which are held by the holding company- the Corporation:

- Thai Nguyen- Vimico Non-Ferrous Metals Joint Stock Company:

+ Number of departments: 09 departments

+ Number of branches: 04 branches

+ Number of factories: 1 factory

- Mineral 3- Vimico Joint Stock Company:

+ Number of departments: 03 departments

+ Number of factories: 03 factories

- Lai Chau- Vimico Rare Earth Joint Stock Company:

+ Number of departments: 02 departments

- Cao Bang Mineral and Metallurgical Joint Stock Company:

+ Number of departments: 04 departments

+ Number of factories: 02 factories

4.3 Management work on resource

4.4 Management work on technology

a. Some targets on technology, quality of products until year 2020

b. For exploitation

c. For technology on selecting minerals

d. For metallurgical technology

e. For M & E technology and transportation

g. Management work on investment

- Promote the implementation progress on exploitation project, mineral processing which are started before 01/01/2017, including: (i) Project on extending and lifting the capacity of Copper

Mine Sin Quyen- Lao Cai, (ii) Project on extending and lifting the capacity of Lao Cai Copper Factory, (iii) Project on exploiting copper mine (Vi Kem, Bat Xat, Lao Cai), (iv) Project on renovating and upgrading the quality of Thai Nguyen Zinc Electrolysis Factory, (v) Project on exploiting iron ore mine (Lang Vinh- Lang Co, Van Ban, Lao Cai), (vi) Project on exploiting and processing rare earth (Dong Pao, Lai Chau), (vii) Project on exploiting tin (Tay Nam Nui Phao), (viii) Project on exploiting zinc- lead mine (Cuc Duong)

- Focus on preparing to invest some projects on exploiting and processing minerals which are started after year 2017, including: (i) Project on exploiting tunnel at Copper Mine Sin Quyen, Lao Cai, (ii) Project on extending and lifting the capacity of zinc- lead mine Cho Dien, (iii) Project on extending and lifting the capacity of zinc- lead mine Lang Hich

4.5 Management work on expense

- Continue implementing the business coordination mechanism with TKV following the regulations at the charter of TKV

- Production cost of some major products decreases by maximize 3%/ year. Continue completing solutions on saving costs of materials, electricity, administration expense and increasing productivity.

- From year 2018, implement the internal selling- purchasing price between TKV and the Corporation for some major products following the plan on business coordination with TKV and the internal administration regulations of the Corporation

- Continue implementing the internal selling- purchasing price between the holding company- the Corporation and the subsidiaries of the Corporation

- Build and issue the economic-technical norms, expense norms, price following each period for some major products such as copper, tin, zinc... applied in the Corporation

4.6 Management work on finance

- Finance ratio until year 2020:

+ Payable/owners' equity: < 2 (times in which the holding company- the Corporation < 2 times)

+ Current liquidation ratio: ≥ 0.5 time

- Maintain the scale of charter capital of the holding company- the Corporation in accordance with the need of capital use. The rate of dividend distributed to shareholders tries to achieve higher than interest of term savings (12 months) of VietinBank

- Arrange and balance the long- term resource to implement the investment projects following the plan and progress which are approved. Focus on arranging mid- term capital, long- term capital, short- term capital for branches and/or authorize entities to mobilize capital. Restructure borrowings to reduce financial expense of the Corporation

- Recovery, reduce receivables account, not incur overdue receivables. Monitor targets, financial ratio of the subsidiaries

- Manage closely cash flow through implementing the forecasting work on capital need in cash and cash flow in order to identify and balance real needs on capital and cash flow in the daily business and production operations of the Corporation, reduce financial expense, strengthen the effectiveness of capital use.

- Implement the mechanism on assigning rate of profit/o owners' equity for branches, subsidiaries of the Corporation from year 2018

4.8. Management work on supplies

4.9. Management work on labor and development work on human resources

III. Implementation

1. The Corporation

2. The capital representative of the Corporation at Joint Stock Company

Article 3: Board of Directors, General Manager and related departments are responsible for implementing this Resolution.

REGULATORY FRAMEWORK IN RELATION TO MINING IN VIETNAM

Introduction

On 17 November 2010, the National Assembly of Vietnam introduced the Law on Minerals (*the Mineral Law*) that came into force on 1 July 2011 and replaced the old mineral law issued in 2006. Following the Mineral Law, the Government of Vietnam issued Decree No.15/2012/ND-CP, dated 9 March 2012 (**Decree 15**) and Decree No.22/2012/ND-CP dated 26 March 2012 (**Decree 22**), providing for the implementation of the Mineral Law and mineral auction procedures. Under the new regime, only two separate licences must be obtained for each activity undertaken during a commercial scale mining project - exploration and mining.

A mining company should also consider requirements for approvals for:

- (a) an environmental impact assessment report under the Law on Environmental Protection, or for exploration activities, the registration of a Commitment of Environmental Protection certified by the relevant authority;
- (b) the change of use of land under the Law on Forestation and Forestry Development and its implementing provisions contained in Decree 23/2006/ND-CP of the Government of Vietnam, dated 3 March 2006, providing detailed provisions for implementing the Law on Forestation and Forestry Development (**Decree 23**), where land designated for 'forest' use is involved; and
- (c) the lease of land from the State or the transfer of land rights from other economic organisations, family households or individuals in accordance with the provisions of the Law on Land and its implementing provisions contained in numerous land decrees and circulars. Where the designated use of the land is something other than 'non-agricultural production and business', a mining company will also need to apply for a change in the designated use of the land.

The time involved in obtaining these approvals varies, however, in general, an environmental impact assessment report will be appraised within 30 to 45 days of submission and a change of use of 'forest' land will take 30 days from the date of submission.

Overview of the key changes

Under the Mineral Law, the mining activities consist of exploration and mining which now encompass the mineral processing. While the mineral licensing authority has been mostly centralised to the Ministry of Natural Resources and Environment (**MONRE**), provincial people's committees only have the authority to

approve the mineral survey and obtaining samples, mining licences for common construction materials and peat, scattered/low reserve minerals as specified by MONRE. The exploration and mining licences will be auctioned except for exemption areas delineated by the State on energy security and national security grounds. With respect to licensing procedures, the Mineral Law and Decree 15 extend the term of the exploration licences from 24 to 48 months, and additionally require the licensees' debt/equity ratio of 50/50 for exploration and 70/30 for mining projects. The mining right transfer procedures are also set out in a clearer manner. Furthermore, the mineral regime requires the mining licensee to pay a mining fee upon the issuance of a mining licence in either a one-off payment or annual instalment method at the licensee's discretion. The mining fee would be calculated on the basis of value, reserves and quality or types of minerals, as well as mining conditions. Vietnam has a new policy restricting mineral exports.

Recently, the Prime Minister of Vietnam issued a new directive including (i) no more exportation for raw minerals, iron ore; lead- zinc ore; chromite ore; manganese ore; copper ore; apatite ore; and cubes ore; (ii) no more exploration and mining licence for placer titanium ore; placer gold; (iii) temporary suspension of licensing for new mining of white marble, granite; (iv) the Prime Minister decides on the export of rare earth minerals.

Investment Certificate

Before issuing an investment licence for mining activities to a foreign organisation or to a joint venture involving a foreign party, the provincial people's committee, as the investment licensing authority, is required to obtain the written opinion of the relevant mineral licensing authority, i.e. MONRE and/or Ministry of Industry and Trade (*MOIT*). The mineral licensing authority must reply to the investment licensing authority within 30 days. In the event of differing opinions, the investment licensing authority will make a submission to the Prime Minister for his final consideration and decision.

Decision No.37/2007/QD-BCN of the Ministry of Industry and Trade, dated 7 August 2007 (*Decision 37*), requires an investment project for the exploration and mining of minerals to comply with the Master Plan and to guarantee compliance with relevant environmental laws.

If the investment project is yet to be included in the Master Plan, an approval in-principle approval issued by the Prime Minister to that investment project will be required.

There are two types of licences for commercial scale mining available under the Mineral Law as outlined below.

Exploration licence

An exploration licence is required for exploration activities in areas not already subject to any other licence issued by the MONRE. The area of land over which an exploration licence may be granted varies depending on the minerals involved and the location of the site.

An exploration licence may be granted for no more than 48 months, but may be extended on numerous occasions for up to a further 48 months in total to entities having equity of not less than 50% of their proposed exploration budget. On each request for an extension, the exploration licence holder must surrender at least 30% of the licensed area. This includes the time required for preparing a report on the exploration results and a feasibility study on mining activities. If the exploration right is transferred to another entity, then the duration for exploration will be the residual duration of the previously issued exploration licence.

An exploration licence is exclusive in respect of the area over which it applies and is transferable under certain conditions set out in Article 43 of the Mineral Law including the issuance conditions, receipt of issuer approval and payment of assignment tax. However, the Mineral Law cancelled the inheritance right of an individual over the exploration licence.

An investment licence does not automatically entitle the holder to an exploration licence.

Within six months of the expiry of an exploration licence, the licence holder enjoys a 'special right' under Article 46.3 of the Mineral Law to apply for a mineral mining licence providing it has satisfied all conditions of the exploration licence and complies with all applicable Vietnamese laws and regulations. If the holder does not meet these conditions then a new exploration licence or a mining licence may be granted to a different organisation over the same area.

Mining licence

Where a foreign company applies for a mining licence, that licence is to be issued at the same time as, or subsequent to, the issue of an investment licence under the Investment Law.

The duration of a mining licence is determined on the basis of the feasibility study submitted as part of the application for the investment licence, but cannot exceed 30 years. It may be extended several times under certain conditions, but Article 54.2 of the Mineral Law provides that the total duration of any extensions granted must not exceed 20 years.

The mining licence is transferable subject to three main conditions:

- (a) the mine has been constructed and put into operation;
- (b) the assignee is eligible to be the mining licence holder as required in Article 53 of the Mineral Law; and
- (c) the licensing authority for the transferred mining licence has approved the terms and conditions of transfer.

One of the new provisions is the mining licence auction as set out in Article 78 of the Mineral Law. The Prime Minister has the authority to provide an exemption from the auction of the mining licence in some specific areas in relation to the national mineral strategy, national defence, and sensitive environment areas in accordance with the opinion of the MONRE. Royalties are payable based on production and selling price. The issue of prospecting permits and exploration, mining and processing licences falls mainly within the jurisdiction of MONRE. Other ministries have specified responsibilities and the Mineral Reserve Evaluation Council (under MONRE) has the responsibility for assisting in evaluating and approving reserves for feasibility study purposes.

A mining right fee will be payable by entities to which mining licences are granted and also by existing mining licence holders based on remaining reserves.

The Mineral Law does not contain any restriction on exports. However, the Vietnamese Government has adopted a Master Plan whereby restrictions may be placed on the export of certain minerals pursuant to that plan.

Environmental approval process

The National Environmental Agency is located within the MONRE and is responsible for environmental administration of the mining sector.

Entities licensed to carry out mining activities must comply with the Law on Environmental Protection to minimise any adverse environmental impacts. They must also rehabilitate the environment after they have ceased their mining activities. All expenses required for these purposes must be identified in the company's environmental impact assessment report and the feasibility study.

Under the Law on Environmental Protection, a mining company is required to provide a deposit for environmental rehabilitation, pay an environmental protection fee, prepare a plan of environmental rehabilitation for approval by the relevant authority and implement environmental rehabilitation in accordance with the approved plan.

In accordance with Article 5 of Decree 21/2008/ND-CP of the Government of Vietnam, dated 28 February 2008 (**Decree 21**), prior to applying for a mining licence, a company intending to undertake

mining activities must submit an environmental impact assessment report to either MONRE or Department of Natural Resources and Environment of the municipal/provincial people's committee (depending on the scale of the investment project) for approval.

The MONRE or the municipal/provincial people's committee (as applicable) will then organise for the appraisal of the environmental impact assessment report to be completed within 30 to 45 days of the date of receipt of the report.

In the case of mineral exploration and other mining projects, the company concerned must register a commitment of environmental protection to be certified by the relevant authorities (that is, the people's committee at district level) before submitting the application for issuance of an exploration licence or a mining licence.

Forestry

The Ministry of Agriculture and Rural Development (**MARD**) is responsible for exercising State administration of forestation and forestry development throughout the whole country with the coordination of the MONRE, the Ministry of Police, and other ministerial departments.

The main sources of regulation on forestation and forestry development are:

- (a) the Law on Forestation and Forestry Development, passed by the National Assembly of Vietnam, on 3 December 2004; and
- (b) Decree 23/2006/ND-CP of the Government of Vietnam, dated 3 March 2006, providing detailed provisions for implementing the Law on Forestation and Forestry Development (**Decree 23**).

Under these laws, and as directed by the Prime Minister, mineral mining and processing activities must not cause any impact on the protection of watershed and specialised-use forests.

Under Article 29 of Decree 23, the prescribed purpose for the use of a forest may be changed to a non-forestry purpose only in compliance with the laws and regulations relating to land, forest development and protection and the master plan of forest development and protection approved by relevant authorities. An applicant seeking an amendment in the use of certain land must submit:

- (a) details of the investment project and its approval by the relevant authorities;
- (b) an environmental impact assessment report prepared for the change of use of the forest;
- (c) a plan of compensation for forest surface clearance approved by the relevant authorities; and
- (d) an afforestation plan prepared by the relevant authorities.

Approval for the change of land use takes 30 days from the date of submission of properly completed application documents.

Landholder approvals

Under Article 94.3 of the Law on Land, land can only be used for mineral activities where the project owner has obtained a licence for mineral activities and a decision on the lease of land for mineral exploration or exploitation or a decision on land allocation or the lease of land on which mineral processing has been issued by the competent state body.

Under certain decrees and circulars providing details for the implementation of the Law on Land, the State may lease land to organisations and individuals permitted to explore and exploit minerals. It is not necessary to lease land if the mineral exploration does not affect the land use or if the mineral exploitation does not affect the ground layers of the land or the land surface.

In accordance with Article 94.3 of the Law on Land, land may only be used for mineral activities:

- (a) in accordance with the terms of a mining licence issued by the relevant authorities and the schedule for mineral exploration and mining and on the basis of a lease provided for that purpose;
- (b) where appropriate measures are taken to protect the environment, to treat waste and to avoid causing loss to surrounding land users and the local community; and
- (c) on the condition that the land user will return the land to the condition stipulated in the land lease contract on the completion of the project.

Organisations and individuals wishing to use land surfaces for processing minerals may lease the land from the State or receive an assignment of the land use right or the land lease from other economic organisations, family households or individuals.

Mineral processing may be conducted only on land designated for non-agricultural production and business. Such land is subject to the land use regime applicable to land on which production or business facilities are built. If the land is not designated for non-agricultural production and business, the mining company will need to apply to the relevant authority for a change in the designated use of the land.

Other approvals

Assignment of rights to conduct mineral exploration and mining

Under Article 43 and 66 of the Mineral Law, organisations and individuals permitted to conduct exploration and mining activities may assign their mineral rights to other organisations or individuals only after obtaining the approval of the body that issued the relevant licence and paying an assignment tax.

Surrender of licences to conduct mineral activities or surrender of a part of a licensed area

Under Article 48 and 59 of the Mineral Law, any organisation or individual permitted to conduct exploration and mining activities may surrender a part of the licensed area or the licence for mineral activities provided that they have:

- (a) fulfilled all their obligations up until the time of their application to surrender the licence, and
- (b) taken adequate measures to rehabilitate the environment and to ensure that the surrendered area is safe.

The licensing body must provide written approval for the surrender of a licence.

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This article provides a summary only of the subject matter covered, without the assumption of a duty of care by Frasers Law Company. The summary is not intended to be nor should it be relied on as a substitute for legal or other professional advice.

		goods.		
Total			***	0-5%

Summary of subsidy programs for Malaysia

318. Countervailing duty for all other producers/exporters from Malaysia has been determined based on the highest of the subsidy margins for the cooperating party, Metrod Group for the subsidies availed by them and based on facts available for other subsidy programs.

Program Nos.	Name of the Program	Subsidy Margin %	Range%
Program No. 12	Accelerated Capital Allowance	***	0-1%
Program No. 23	Exemption from Import Duty and Sales Tax on Machinery and Equipment	***	0-1%
Program No. 14/19/21/24	Exemption from Import Duty on Raw Materials/ Components	***	0-5%
Program No. 9/10/11/12/13/15/17/18/25/27/28/31/32/35	International Procurement Centre (IPC status) / Income Tax benefit.	***	0-1%
Program Nos. 1, 3, 4, 6 & 30	Grant Programs	***	0-5
Program No. 34	Loan Programs	***	0-5
Program No. 7&8	Loan Guarantee	***	0-5
Total		***	5-15

Vietnam

F.1. Examination of the Subsidy programs alleged by the Petitioners

(i) **Program No. 1: Income Tax Preferences under Chapter V of Decree 24 (Implementation of the Law on Enterprise Income Tax)**

a. Submission by the Petitioner

319. Petitioner submitted that under Article 9, the Ministry of finance has specified income tax rate applicable to-

1. Business establishments is 28%.
2. Business establishment is involved in activities of exploration and exploitation of Oil and Gas and/or any other rare natural resources, the tax applicable to such enterprise shall range from 28%- 50%.

320. Under the Program, Specific Income tax rates for such establishments (Type 2) shall be decided by the Prime Minister at the proposal of Minister of Finance. The limitation of the program is restricted to certain specified enterprises. As evidence of the existence of the program, the petitioners have provided the following decrees or notifications as was reasonably available to them.

- Decree No 48/2009/ND-CP, May 19, 2009
- Decree No 164/2003/Nd-cp of Dec 22, 2003 detailing the Implementation of the Law on Enterprise Income Tax to the Government
- Pursuant to the Dec 25, 2001 Law on Organization of the Government
- Pursuant to the June 17, 2003, Law No. 09/2003/Qh11 on Enterprise Income Tax

b. Submission by Government of Vietnam/other interested parties

321. Decree 24/2007/ND-CP implementing the Law on Enterprise Income Tax 2003 ceased with effect from January 1, 2009 because it was replaced by the Law on Enterprise Income Tax 2008. Thus, Decree 24 was not applicable during the POI of this investigation.

322. Corporate income tax benefits including preferential income tax rate, tax exemption and tax reduction are governed by Article 1.7 of the Amending Law 2013 and Article 1.7 of the Amending Law 2014.

323. Law of Foreign Investment in Vietnam in 1996 was amended in 2000. Corporate income tax benefits including preferential income tax rate, tax exemption and tax reduction are governed by Article 46 to 49 of Decree 24/2000/ND-CP.

324. There is no application and approval process. Enterprises rely on the applicable tax law and regulations to identify the benefits they are entitled to, declare the benefits in the tax returns, and pay the income tax in accordance with the declaration. Eligibility is not contingent upon export performance or on the use of domestic goods.

325. There is no criterion governing the size of the benefit. The amount of income tax benefits is the amount of difference between standard tax rate and preferential tax rate and/or the amount of tax payment in the absence of exemption or reduction.

326. Dong Viet Non-Ferrous Metal and Plastic Joint Stock Company (DOVINA) received corporate income tax benefits under this program. During the period of investigation, DOVINA received a 50% reduction on the tax payable to the Government on income from new investment projects for the 2017 tax period. This preference is based on the fact that DOVINA invested on new projects in Long An Economic Zone, which falls into the list of encouraged geographical areas under Decree No. 218/2013/ND-CP. There is no deferral of taxes owed involved in the program.

327. No anticipated changes in the program have been made.

328. CFT COPPER VINA Ltd., Co received corporate income tax benefits as foreign invested enterprise in Bien Hoa Industrial Park, pursuant to Article 46 of Decree 24/2000/ND-CP. It is subject to a preferential income tax rate of 15% on the tax payable to the Government for the duration of its investment project, which is 30 years from the date of establishment. This preference is based on the fact that CFT COPPER VINA was established as a foreign-invested company.

c. Examination by Authority

329. Authority notes that the program providing exemption from income tax is governed by Corporate Income Tax 2008 as amended in 2013 and Law of Foreign Investment as amended in 2000. Standard rate of corporate income tax in Vietnam is 20%. Decree 218/2013/ND-CP provides cases where tax payers are entitled to tax reduction of 50%. Reduction is available to investment projects falling in the specified sectors or in encouraged geographical region.
330. For foreign invested enterprise, preferential rate of 15% and 10% are specified as per Article 46 of Decree 24/2000/ND-CP.
331. The program provides for financial contribution in the form of revenue foregone, which is otherwise due and benefit is thereby conferred. The program is also sector specific and region specific because it is limited to encouraged sectors or encouraged geographical regions. The Authority holds that countervailing duty should be imposed against this program.

(ii) Program No. 2: Import duty exemption or reimbursement for raw material

a. Submission by the Petitioner

332. Petitioner submitted that import duty exemption for “raw material and supplies used for manufacture of equipment and machinery” is provided under Law no.45, Chapter IV. Ministry of Finance under Article 16.6(d) & 16.9 has specified raw material, supplies and accessories imported for production activities of investment projects on the list of domains where investments is particularly encouraged or the list of geographical areas meeting with exceptional socio-economic difficulties.
333. Under the Program, raw material or supplies imported for the production of export goods, for which tax has been paid, is subject to duty-free imports (u/A. 16.4) or reimbursement (u/A.19). As evidence of the existence of the program, the petitioners have provided the following decrees or notifications as was reasonably available to them.
- Law No 45/2005/QH-11 (Law No 45)
 - Decree No 87/2010/ND-CP (Decree 87) Law No. 45 Chapter IV

b. Submission by Government of Vietnam/other interested parties

334. This policy is regulated by the Law on Export and Import Duty and applied to every form and type of business throughout the country.
335. The amount of the exemption is equal to the amount of the duty corresponding to the value of imported materials actually used in the production of the finished goods that are exported. This amount is determined or declared at the time of reporting to Customs on the use of imported raw materials for production of exported goods in accordance with customs regulations. The applicable Customs regulations are Decree 08/2015/ND-CP, dated January 21, 2015 ("Decree 08") and Circular 38/2015/TT-BTC, dated March 25, 2015. General Department of Vietnam Customs (GDVC) under the Ministry of Finance is in charge of development of track system.
336. There is no application and approval process. As long as the imported materials are used in the production of exported goods, such materials are exempted from import duties regardless of the sector, location, or size of the importing producers. No changes are anticipated for this program. There is no deferral of taxes owed.

c. Examination by Authority

337. Authority notes that the program is administered by Law on Import and Export Duty 2016 and Customs Regulations 08/2015/ND-CP dated 21, 2015 and Circular 38/2015/TT-BTC. The program provides for exemption on import duty on raw materials used in the manufacture of exported product. There is no evidence and details regarding the track system maintained by GDVC to ensure that entire raw material imported duty free is consumed in the production of exported product.
338. The program provides for financial contribution in the form of revenue foregone and benefit is thereby conferred. The subsidy program is also specific because it is contingent on export. The Authority holds that countervailing duty should be imposed against this program.

(iii) Program No. 3: Exemption on Corporate income tax for enterprises

a. Submission by the Petitioner

339. The petitioner submitted that the above-mentioned program is applicable to enterprises of textile & garments; leather & footwear; electronics & IT products; manufacturing of cars and fabricating mechanics. As per the scheme of the Government of Vietnam enterprises shall be benefited if, -
1. the enterprises opting to 50% tax reduction in the tax period of year 2014, this reduction shall be enjoyed for the tax period of following 3 fiscal years
 2. the maximum duration for exemption is 1 year, commencing from the date of performance of contracts or commencing trail production or production with technologies applied for the first time in Vietnam.
 3. The income of the enterprises is eligible for a preferential tax rate of 20% for 10 years, tax exemption for 02 years and 50% reduction for next 04 years

b. Submission by Government of Vietnam/other interested parties

340. Information regarding income tax program and benefit is provided in response to Program No. 1.

c. Examination by Authority

341. Authority notes that it has already determined that countervailing duty should be imposed against subsidy program providing exemption from Income Tax. The Authority holds that no additional countervailing duty is required to be imposed against this subsidy program.

(iv) Program No. 5: Preferential lending to exporters

a. Submission by the Petitioner

342. The petitioner stated that the Ministry of finance along with banks regulate the loans under the program. Banks provided loans to enterprises for the post-investment interest rate to implement state policies on development investment credits and export credits. It is also submitted that the State is a major regulator in the banking industry and therefore 50% of the loans by the major banks in Vietnam are low- interest loans. As evidence of

the existence of the program, the petitioners have provided the following decrees or notifications as was reasonably available to them.

- Decree No 75/2011/ND-CP, Aug 30, 2011
- Decree No 106/2008/Nd-cp
- Decree No 106/2004/Nd-cp
- Resolution No 02/NQ-CP (Government 7 Jan 2013)
- Official Letter no 2667/NHNN-Vp (State Bank of Vietnam 17 April 2014)

b. Submission by Government of Vietnam/other interested parties

343. The GOV does not maintain records of the loans provided by the banks. All financial institutions, regardless of the shareholding structure, carry out their lending operations independently according to commercial considerations.
344. These programs are managed by Vietnam Development Bank (“VDB”), which is a state policy bank established by Decision 108/2006/QĐ-TTg, May 19, 2006 on the Establishment of Vietnam Development Bank. The VDB has three basic state credit tools: (i) investment credit loans; (ii) export credit loans; (iii) post-investment credit assistance.
345. During the POI, the provision of investment credit loans, export credits, and post-investment credit assistance complied with Decree 75/2011/ND-CP and Decree 32/2017/ND-CP.
346. Ministry of Finance issues circulars to provide guidelines for the implementation of the program. The Vietnam Development Bank provides investment credits to eligible entities in accordance with the above regulations and its own regulations on credit provision.

c. Examination by Authority

347. Authority notes that the program is administered by Decree 75/2011/ND-CP. Article 5 of Decree 75 authorises the Vietnamese Development Bank to provide investment credit to investors having investment projects on the list of eligible projects. Investment credit is in the form of credit loans, export credit loan, post-investment credit assistance etc. Guidelines for administering the program are issued by Ministry of Finance.
348. The Vietnam Development Bank (VDB) is established under the Decision No. 108/2006/QĐ-TTg dated May 19th 2006 to execute the state development investment and export credit policies as regulated by the Government. The organizational and operational regulations of VDB are in accordance with the Decision No. 1515/QĐ-TTg dated September 3rd 2015 by the Prime Minister.
349. Financial mechanism of VDB is executed in accordance with the Decision No.44/2007/QĐ-TTg dated March 30th. The Vietnam Development Bank is recognized as legal entity. The operation of VDB is for not profit oriented purposes.
350. Main duties of the Vietnam Development Bank with regard to credit are:
- Mobilize and receive capital from domestic and foreign organizations to implement investment and development credit and export credit of the State.
 - Execute the policy of investment and development credit, policy of export credit of the State.
 - Provide credit guarantee for SMEs’ loans from commercial banks.
351. Authority notes that VDB and other state owned banks in Vietnam are a public body because it is owned and controlled by the Government of Vietnam and exercises Governmental authority. Loans granted by VDB or any other state owned bank are in the

nature of financial contribution in the form of direct transfer of funds. Benefit is conferred on the recipient in the form of difference between the interest charged by VDB and the interest rate charged on comparable commercial loan. The Authority holds that countervailing duty should be imposed against this program.

(v) Program No. 6- Export Promotion Program

a. Submission by the Petitioner

352. The petitioner submitted that under the regulations of Ministry of Trade, Ministry of Finance and other relevant ministries and agencies, the provision and allocation of funds for trade promotion is overseen by the evaluation council. The governing Article is 9 of Decision 279, which specify the types of trade promotion schemes that are eligible for support and the following Article (10) specifies the level of support that is available to each scheme. It is further submitted that the government will cover 50% of the expenses associated with hiring domestic and foreign experts under this program. As evidence of the existence of the program, the petitioners have provided the following decrees or notifications:

- National Trade Promotion program was established by decision 279 and governed by Decision 90

b. Submission by Government of Vietnam/other interested parties

353. The GOV has an annual trade promotion program which aims to support relevant companies to expand trade to foreign markets, mountainous and bordering (poor) areas.

354. The national trade promotion program aims to support trade activities, notably for export and trade in mountainous and poor areas, activities connecting trade with investment and tourism. Annually, the MOIT, based on prescribed criteria and based on proposals submitted by the local authorities and associations, approves trade promotion programs for the year. Associations or local authorities, based on approved programs, conduct promotion activities for its relevant companies. The presiding bodies prepare the proposals and send the proposal to the Trade Promotion Department (the National Trade Promotion Program Management Board) within the prescribed time limit (usually 15 May of the year preceding the project implementation year).

355. Eligibility criteria is that Program owners have a trade promotion plan that meets the objectives, requirements and criteria as provided in Decision No. 72/2010/QD-TTg.

356. The program is still being implemented. Currently this program has not been replaced by any new program.

c. Examination by Authority

357. Authority notes that the program is administered by Decree No. 72/2010/QD-TTg. It provides support to trading activities of enterprises for specified sectors or geographical locations.

358. The program provides for financial contribution in the form of direct transfer of funds and benefit is thereby conferred. The program is also specific because it is limited to enterprise performing support activities or enterprise located in the certain geographical region. Therefore, Authority holds that countervailing duty should be imposed against this subsidy program.

(vi) Program No. 7- Export credits from the Vietnam Development Bank

a. Submission by the Petitioner

359. The petitioner submitted that the Ministry of finance had specified certain enterprises eligible for credit loans. Vietnam Development Bank provides loans for investment projects and contracts on export/import of Vietnamese goods which have an impact on the capital. A pre-requirement set-up by the bank is that the financial plans and repayment plans shall be appraised by them beforehand. As evidence of the existence of the program, the petitioners have provided the following decrees or notifications as was reasonably available to them.

- Decree No 75/2011/ND-CP, Aug 30, 2011
- Decree No 108/2006/QD-TTg
- US Final finding on Certain Steel Nails from Socialist Republic of Vietnam

b. Submission by Government of Vietnam/other interested parties

360. Information regarding loan program is provided in response to Program 5.

c. Examination by Authority

361. Authority has already determined that countervailing duty should be imposed against credit provided by VDB and state owned banks. Therefore, Authority holds that no additional countervailing duty is required to be imposed against this program.

(vii) Program No. 8- Export Support Credit

a. Submission by the Petitioner

362. Under the program Ministry of Finance has provision for loan for enterprises that qualify the criteria established by the decision. It also provides guidelines for the purpose of the loan. Article 7 & 8 lays down the condition and the loan amount that has been prescribed by the Government of Vietnam. As evidence of the existence of the program, the petitioners have provided the following decrees or notifications as was reasonably available to them.

- Decision No. 133/2001-QD-TTg

363. In this decision, the government states that the export credit shall be applicable to the-

1. Investors that have the financial capability to repay the debt;
2. The project must have completed the investment and construction stage;
3. The investor has been evaluated by the Development Assistance Fund for financial plans and loan repayment plans.

364. Under A. 8- the level of loan capital has been divided into three groups by the Ministry. Group A shall follow the Prime Minister's decision and the rest are applicable for not more than 90% of the investment capital.

b. Submission by Government of Vietnam/other interested parties

365. Export support credit program was triggered in 2001 and terminated on 16 January 2007. Therefore, this program is outside the period of investigation.
366. The program was aimed at encouraging enterprises, economic entities and individuals in the production and trading which produce export goods and is contingent upon export performance. As part of Vietnam's commitments to access the WTO, this program was terminated on 16 January 2007 as provided under Decree 151/2006/ND-CP.
367. Export support credits under this program include the following:
- Medium and long-term investment loans for investment projects of producing, manufacturing or processing export goods with export revenue accounting for at least 30% total annual revenue and at least 80% of total revenue if the project is a joint-venture as provided under Article 6 of Decision 133/2001/QD-TTg.
 - Post investment interest rate support for investment projects (i) of producing, manufacturing or processing export goods with export revenue accounting for at least 30% total annual revenue and (ii) not receiving medium and long-term investment loans, as provided under Article 3 of Decision 133/2001/QD-TTg. The interest rate support amount is equal to the difference between the interest rate of credit institutions and that of the state investment credit at the time of receiving the credit.
 - Investment credit guarantee for enterprises of producing, manufacturing or processing export goods with export revenue accounting for at least 30% total annual revenue as provided under Article 6 of Decision 133/2001/QD-TTg.

c. Examination by the Authority

368. The Authority notes that the subsidy program was terminated on 16 January 2007 and is no longer in operation. Moreover, the Authority has already determined that countervailing duty should be imposed against subsidy program providing loans to enterprise by VDB and other state owned banks at lower interest rates. Therefore, Authority holds that no additional countervailing duty is required to imposed against this subsidy program.

(viii) Program No. 9- Preferential lending for investors

a. Submission By the Petitioners

369. Under the program, the Ministry of Finance has reiterated the roles & tasks of the Development bank. The petitioner submitted that the bank was formulated to regulate exporting goods to Vietnam. A loan from the bank has been made a mandatory requirement for an enterprise to avail export credits. As evidence of the existence of the program, the petitioners have provided the following decrees or notifications as was reasonably available to them.
- Decree No 108/2006/QD-TTg
 - Decree No 75/2011/ND-CP
370. Under the program, the bank shall establish & receive capital from investors to execute the Investment credit policy. The amount of credit/loan provided towards the project is 70% at most and for the investor at 15% of the actual charter capital of Vietnam

Development bank. Further, it is submitted that the A. 6 of the decree imposes lending conditions in order to attain export credit on investors.

b. Submission by Government of Vietnam/other interested parties

371. Information regarding loan program is provided in response to Program 5.

c. Examination by Authority

372. Authority has already determined that countervailing duty should be imposed against credit provided by VDB and state owned banks. Therefore, Authority holds that no additional countervailing duty is required to be imposed against this program.

(ix) Program No. 10- Interest rate of the investment credit loans

a. Submission by the Petitioner

373. The petitioner submitted that the Ministry of Finance has specified the interest rate of the investment credit loans granted by the State of Vietnam. As evidence of the existence of the program, the petitioners have provided the following notification as was reasonably available to them

➤ Circular No. 76/2015/TT-BTC

b. Submission by Government of Vietnam/other interested parties

374. Information regarding loan program is provided in response to Program 5.

c. Examination by Authority

375. Authority has already determined that countervailing duty should be imposed against credit provided by VDB and state owned banks. Therefore, Authority holds that no additional countervailing duty is required to be imposed against this program.

(x) Program No. 11- Investment support on foreign investors who invested in establishing small and medium scale enterprises

a. Submission by the Petitioner

376. The petitioner submitted that under this program, assistance at all stages was provided to Small-&Medium Scale Enterprises. The Enterprises are entitled to assistance in the financial, production, innovation & technological field. The subsidy scheme allows for extensive support to foreign investors investing in small business in Vietnam. This subsidy provides an undue advantage to the industry. As evidence of the existence of the program, the petitioners have provided the Decree No 56/2009/ND-CP as evidence.

b. Submission by Government of Vietnam/other interested parties

377. None of companies under investigation is operating business in textile and garment industry.

378. To facilitate development of small and medium sized enterprises (SMEs) in the country, Decree 56/2009/ND-CP was issued to provide guidelines for support of SMEs, which applies to SMEs throughout the country regardless of any form and type of business. The Ministry of Finance is responsible for formulating a mechanism for establishment and

operation of credit guarantee funds, which should be submitted to and approved by the Prime Minister, and for guiding operations of credit guarantee for small- and medium-sized enterprises. The central bank is responsible for proposing the Prime Minister to promulgate incentive mechanisms to expand credits to small- and medium-sized enterprises.

379. Application process is based on principles and guidelines issued by central agencies, local authorities as per their own availability of local budget, develop SMEs support programs.

Sector	Small-sized enterprises	
	Total charter capital	Number of laborers
Agriculture, forestry and fishery	VND 20 billion or less	Between over 10 - 200 employees
Industry and construction	VND 20 billion or less	Between over 10 - 200 employees
Trade and service	VND 10 billion or less	Between over 10 - 50 employees

380. Companies falling under the defined range could apply for available support programs by the local government.

381. Due to very limited state budget, most of provinces have not developed any programs to support SMEs within their geographical regions. This program is not contingent upon export performance or domestic over imported goods. None of the companies under investigation is SME under the criteria of Decree 56/2009/ND-CP. Decree 56/2009/ND-CP was replaced by the Decree 39/2018/ND-CP dated 11 March 2018.

c. Examination by Authority

382. Authority notes that the program provides support to SMEs in the form of financial and non-financial incentives. Support provided to SMEs under the guidance of Ministry of Finance comprises of various types of incentives:

- Training programs
- Awareness of doing business programs for SMEs
- Credit guarantee funds
- Support for payment full or partial payment of fee for obtaining investment certification

383. The incentives provided under the program in monetary terms results in financial contribution in the form of direct transfer of funds and benefit is thereby confirmed. The subsidy program is also specific because it is limited to SMEs. Authority holds that countervailing duty should be imposed against this subsidy program.

(xi) Program No. 13- Financial Guarantees by Vietin Bank

a. Submission by the Petitioner

384. Under the scheme, the Ministry of finance, provides for commitment by Vietin Bank to the guaranteeing party in a contract, in case he fails to oblige his part of the payments and obligations. As an evidence of the existence of the program, the petitioners have submitted the URL of the website of Vietin Bank which has all the required details of the program.

b. Submission by Government of Vietnam/other interested parties

385. None of companies under investigation received any financial guarantees from Vietinbank for the product under investigation. The questions, therefore, are not applicable.

c. Examination by Authority

Authority has already determined that countervailing duty should be imposed against credit provided by VDB and state owned banks. Therefore, Authority holds that no additional countervailing duty is required to be imposed against this program.

(xii) Program No. 14- Land Preferences for Enterprises in Encouraged Industries or Industrial Zones under Decree 142.

a. Submission by the Petitioner

386. The petitioner has submitted that the Government of Vietnam provide preferential land rates and related assistance to enterprises located in the industrial zone land. The land is subleased to the enterprises by People's Committee of Can Tho, a local executive/administrative branch of the national government. As evidence of the existence of the program, the petitioners have provided the following decree document as was reasonably available to them-

➤ Decree No 142/2005/ND-CP dt. Nov 14, 2005

387. As per the decree, provided in evidence, collection of land rents & water surface rents have to be re-adjusted to be close to the market price.

b. Submission by Government of Vietnam/other interested parties

388. In order to encourage enterprises to invest into geographical regions or areas with specially difficult socio-economic conditions, the Government of Vietnam pursues a policy of exemption and reduction of land rent for companies who have investment projects in such regions. Exemption of land rent also applies to investment projects in special cases such as construction of lodging houses for poor workers, dormitory for students in universities, agricultural land for minority citizens in mountainous areas, etc, as well as investment projects in encouraged industries.

389. This policy is regulated by Decree 142/2005/ND-CP dated 14 November 2005. Decree 46/2014/ND-CP was issued to replace decree 142/2005/ND-CP.

390. Companies who invest in encouraged industries or encouraged geographical regions specified in the list or invest special cases specified under the Decree 142/2005 and succeeding Decree 46/2014, are entitled to land rent exemption or reduction. Based on their investment certificate or business registration, the relevant local tax authority shall determine the amounts payable by the land tenants.

c. Examination by Authority

391. Authority notes that the program is governed by Decree 142/2005/ND-CP dated 14th November 2005. Exemption or reduction is provided on land rent to companies who have investment in identified regions and investment projects for encouraged industries as specified under the Decree 142/2005 and succeeding Decree 46/2014.
392. The program provides financial contribution in the form of provision of goods or services at less than adequate remuneration. The program is also specific because it is region specific and is limited to certain encouraged sectors. Authority holds that countervailing duty should be imposed against this subsidy program.

(xiii) Program No. 15- Government Provisions of land for less than adequate remuneration and exemptions or reductions from land and water rents

a. Submission by the Petitioner

393. The petitioner submitted that under the present subsidy scheme, the State Government of Dong nai & Civic Authorities provide exemption of land and water surface rent for a project undertaken to build houses for the workers of the industrial zone. The program further provides for extensive reduction in the land rent for the land leased by a cooperative. Following are examples-
1. Land used for business and productions premises are eligible for 50% reduction on land lease.
 2. Land & water surface rent for a land used for agricultural production, forestry, aquaculture and salt making are eligible for reduction subject to certain conditions.
394. The enterprise, in order to qualify under the program, shall have to meet the criteria set in the decree. As evidence of the existence of the program, the petitioners have provided the following decree document as was reasonably available to them-
- Decree No 46/2014/ND-CP dt. 15/5/2014

b. Submission by Government of Vietnam/other interested parties

395. Information regarding program is provided in response to Program 14.

c. Examination by Authority

396. Authority has already determined that countervailing duty should be imposed against provision of land at less than adequate remuneration. Authority holds that no additional countervailing duty is required to be imposed against this program.

Producers/Exporters from Vietnam

397. Two exporters from Vietnam namely, Dong Viet Non-Ferrous Metal and Plastic Joint Stock Company & CFT Vina Copper Co., Ltd filed questionnaire response and participated in the investigation.

Dong Viet Non-Ferrous Metal and Plastic Joint Stock Company (DOVINA)

398. DOVINA is a producer/exporter of subject goods in Vietnam. DOVINA filed questionnaire response and provided information regarding the subsidy programs availed by them.

399. Authority examined the response filed by DOVINA and upon examination requested further information from them and also requested for verification of information provided in the response. However, DOVINA did not respond fully to the request of the Authority for further information. DOVINA merely shared documents via common drive and was not present during the on-table verification of information already provided in the questionnaire either in person or through their representative to respond to the queries. In view of the above, the Authority determines that DOVINA cannot be treated as co-operating producer/exporter and no individual subsidy margin rate is determined for DOVINA. Subsidy margin determined for all other producers/exporters from Vietnam is being made applicable for DOVINA.

CFT Vina Copper Co.,Ltd (CFT)

400. CFT is a producer/exporter of the subject goods in Vietnam. CFT filed questionnaire response and provided information regarding the subsidy program availed by them.

401. CFT has not exported the subject goods to India directly. With respect to its exports to India, CFT has sold the subject goods to its related entity Toyota Tsusho Asia Pacific Pte. Ltd. in Singapore and Toyota Tsusho Asia Pacific Pte. Ltd has exported the subject product to India. Toyota Tsusho Asia Pacific Pte. Ltd has not filed questionnaire response and has not participated in the investigation process. Supply/export chain of all the exports to India is incomplete in absence of response by the exporter, Toyota Tsusho Asia Pacific Pte. Ltd, Authority is unable to determine the export price of CFT for subject goods to India.

402. Also, PT. TembagaMuliaSemananTbk, producer/exporter of subject product from Indonesia who has participated in the investigation and provided questionnaire response has mentioned that CFT is one of its affiliated party. However, CFT has not disclosed name of PT. TembagaMuliaSemananTbk as one of its related party in response to the specific question in its questionnaire response. Authority notes that CFT has not revealed relevant information from the Authority.

403. In view of the above, the Authority determines that CFT cannot be treated as cooperating producer/exporter and no individual subsidy margin rate can be determined for CFT. Subsidy margin determined for all other producers/exporters from Vietnam is being made applicable for CFT.

Summary of Subsidy Programs for Vietnam

404. Countervailing duty for producers/exporters from Vietnam has been determined based on facts available.

Program Nos.	Name of the Program	Subsidy Margin %	Range%
Program Nos. 1 & 3	Income Tax Preferences	***	0-1%
Program No. 2	Exemption from import duty on raw material	***	0-5%
Program Nos.	Preferential lending	***	0-5%

5/7/8/9/10/13			
Program Nos. 14 & 15	Provision of land at less than adequate remuneration	***	0-1%
Program No. 6/11	Grants	***	0-5%
Total		***	5-15%

Indonesia

(i) Program No. 2 – Export Financing from Indonesia EXIM

a. Submission by the Petitioner

405. The petitioner has submitted that the Export-Import Bank of Indonesia provides export financing at preferential rates for advancement of Indonesian exports. The institution provides funding to financial institutions or banks that lack the financial capability to enter the trade market. As evidence of the existence of the program, the petitioners have provided the following documents or notifications:

406. WTO Document No. WT/TPR/s278

- 2015 annual report, Indonesia Exim bank
- US final finding- certain uncoated paper from Indonesia

b. Submission by the Government/ other interested parties:

407. The Government stated that the Lembaga Pembiayaan Ekspor Indonesia (“Indonesia Exim bank”) officially commenced on 01/09/2009, under Minister of Finance Decree of the Republic of Indonesia no. 366/KMK.06/2009, dated August 24, 2009. It operates independently under a statute (Act of LPEI) and is a Government-owned institution. The said statute regulates the functions, sources of funds, services-provided etc. under various articles.

408. The bank provides two types of financing to support local and overseas industries

1. Working Capital (KMKE);
2. And/or Investment (KIE)

409. Processes followed and documents maintained by the EXIM bank are available. The eligibility criteria are not limited to certain sector/ region or enterprise under the program.

c. Examination by Authority

410. Authority notes that the program is administered under Minister of Finance Decree of the Republic of Indonesia no. 366/KMK.06/2009.

411. EXIM Bank of Indonesia is owned by Government of Indonesia. It is under direct control of the Government of Indonesia and exercises Government Authority. Its main objective is to boost national export growth and to assist exporters in expanding their business capacity. It also assists banks and financial institutions in overcoming any difficulties in

PROGRAM-13

THE GOVERNMENT

SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

No. 123/2017/ND-CP

Hanoi, November 14, 2017

DECREE

**AMENDMENTS TO CERTAIN ARTICLES OF DECREES ON COLLECTION OF LAND
LEVY, LAND RENT AND WATER SURFACE RENT**

Pursuant to the Law on Government Organization dated June 19, 2015;

Pursuant to the Land Law dated November 29, 2013;

Pursuant to the Law on Housing dated November 25, 2014;

Pursuant to the Law on Investment dated November 26, 2014;

At the request of the Minister of Finance;

The Government promulgates a Decree on amendments to certain articles of Decrees on collection of land levy, land rent and water surface rent.

Article 1. Scope

This Decree amends certain articles of the Decree No. 45/2014/ND-CP dated May 15, 2014 on collection of land levy and Decree No. 46/2014/ND-CP dated May 15, 2014 on collection of land rent and water surface rent.

Article 2. Amendments to certain articles of the Decree No. 45/2014/ND-CP dated May 15, 2014 on collection of land levy

1. Point d below is added to Clause 3 Article 3:

"d. Land price adjustment coefficients (coefficient k) issued by People's Committees of provinces/central-affiliated cities (hereinafter referred to as "People's Committees of provinces") shall apply from January 01 every year. The time for conducting surveys to develop coefficients k shall be from October 01 every year. Costs related to coefficient k development (including costs of hiring consulting service providers if necessary) shall be funded by state budget under regulations of law on state budget. Selection of consulting service providers responsible for conducting surveys and developing coefficients k shall comply with regulations of law on bidding.

In the cases where the People's Committee of province has not issued coefficient k from the date of determining land levy, coefficient k issued in the previous year shall be applied and such People's Committee may take responsibility for loss of budget due to failure to issue coefficient k on schedule (if any)."

2. Point c Clause 4 is amended and Clause 5 is added to Article 4 as follows:

"c) The land rent/m² to determine payable land rent mentioned in Point a and Point b this Clause shall be determined according to land price on the land price list for the purposes of land use of the project, coefficient k and rate (%) for calculation of land rent/m² for the purposes of commercial or service land use issued by the People's Committee of province.

5. Procedures for determination of the starting price of a land use right auction (hereinafter referred to as "auction") to allocate levied land

a) Procedures for determination of the starting price to hold the auction for the cases where area of levied piece of land or land area is assessed at (calculated according to land prices on the land price list) VND 30 billion or over for central-affiliated cities; VND 10 billion or over for mountainous provinces; VND 20 billion or over for other provinces shall be carried out under the Government's regulations on land prices and amended documents (if any); in which specific land prices shall be determined by the Department of Natural Resources and Environment of province and transferred to the inspection council with the inspection conducted by the Department of Finance thereof and then submitted to the People's Committee thereof for approval.

b) Procedures for determination of the starting price to hold the auction for the cases where area of levied piece of land or land area is assessed at (calculated according to land prices on the land price list) under VND 30 billion for central-affiliated cities; under VND 10 billion for mountainous provinces; under VND 20 billion for other provinces shall be carried out as follows:

- Within 10 days from the day on which the competent state authority gives a decision on auction in accordance with regulations of law on land, the natural resource and environmental authority (applicant) shall transfer an application for determination of the starting price to a corresponding finance authority. The application for determination of the starting price includes:

+ A written request for determination of the starting price made by the applicant;

+ A copy of the decision on auction approved by a competent state authority;

+ A copy of the cadastral document (information about area, location, purposes of land use, form of land lease, land use term, etc.).

- Within 10 days from the date of receiving the application for determination of the starting price for the auction from the applicant, the finance authority shall determine the starting price in accordance with regulations of law on collection of land levy and request a competent state authority (the People's Committee of the province or an authorized state authority) for approval.

If the application is invalid, the finance authority shall inform the applicant in writing of additional documents within 5 working days from the day on which the application is received. Within 10 days from the day on which the valid application is received, the finance authority shall provide the applicant with the starting price.

- An organization responsible for holding the auction shall conduct the auction according to the decision on approval for the starting price from the competent state authority.

Procedures for re-determination of the starting price shall be carried out equivalent to those for the first time.

c) Procedures for determination of the starting price for the auction with property under state ownership shall comply with regulations of law on management and use of public property."

3. Clause 3 is amended and Clause 4 is added to Article 5 as follows:

"3. If non-agricultural production/business land (non-residential land) originally receiving transfer of residential land from a household or an individual is repurposed as residential land to execute an investment project from July 01, 2014 onwards, the land levy shall be paid equivalent to the land levy calculated according to detailed construction planning of the project approved by the competent state authority minus (-) the land levy calculated according to detailed construction planning of housing of the household/individual when the competent state authority allows land repurposing.

The household/individual repurposing non-agricultural production/business land (non-residential land) originally from residential land as residential land of the household/individual shall not pay for land levy.

4. If non-agricultural production/business land (non-residential land) having long-term duration of use allocated by the State with collection of land levy before July 01, 2004 is repurposed as residential land to execute an investment project from July 01, 2014 onwards, the land levy shall be paid equivalent to the land levy calculated according to residential land price minus (-) the land levy calculated according to land price with lump-sum payment for the whole land lease term for non-agricultural production/business land (commercial, services) within 70 years when the competent state authority allows land repurposing.

4. Clause 9 is amended as follows:

"Article 9. Collection of land levy upon recognition of land use rights (grant of certificates) for households and individuals for land allocated ultra vires or violating regulations of law from July 01, 2004 to before July 01, 2014 that are now considered by the State for grant of certificates

1. The household or individual using land (land user) violating regulations of law on land stated in Article 22 of the Government's Decree No. 43/2014/ND-CP dated May 15, 2014 specifying certain articles of the Land Law (hereinafter referred to as "Decree No. 43/2014/ND-CP") or land allocated or leased ultra vires from July 01, 2004 to before July 01, 2014 which now

complies with land-use planning shall, upon grant of a certificate by a competent state authority in accordance with the provision of Clause 9 Article 210 of the Land Law, pay 100% of land levy based on the land price specified in Point b or c Clause 3 Article 3 herein when a decision on recognition of land use rights made by the competent state authority is given. If documents proving the payment for land use are available, the amount of money paid by the land user shall be deducted from the payable land levy provided that the deduction does not exceed the payable land levy.

2. The user of land with non-residential construction work shall, upon grant of the certificate of the rights to use non-agricultural production/business land as land allocated with land levy collected for a long term, pay 100% of land levy calculated based on the land price specified in Point b or c Clause 3 Article 3 herein for the non-agricultural production/business land with the longest use term as prescribed in Clause 3 Article 126 of the Land Law when the decision on recognition of land use rights made by the competent state authority is given.”

5. Clause 10 below is added to Article 10:

“10. The business entity having non-agricultural production/business land levied and allocated by the State and making payment for land levy and having land levy remitted by the competent state authority in accordance with regulations of law on land before July 01, 2014 when transferring the project or land use rights from July 01, 2014 onwards:

a) Transfer of the investment project together with transfer of land use rights:

- In the cases where the remitted land levy is not included in the transfer price and the transferee continues to execute the project, the transferee shall be entitled to receive remission of land levy in compliance with regulations of law on investment for the remaining period of the project.

- The transferee failing to continue executing the project shall pay land levy for the project after the transfer. If the transferor has made part of payment for land, the transferee shall inherit such payment.

b) In case of land use right transfer, the transferor shall pay the entire the remitted amount to state budget in line with the land price at the time when the land use right transfer is made.”

6. Article 13a below is added after Article 13:

“Article 13a. Procedures for remission of land levy for social housing projects and graveyard infrastructure projects

1. Within 20 days from the day on which the competent state authority gives a decision on land allocation in accordance with regulations of law on land, the land user shall submit an application for remission of land levy to the tax collector in person or application-receiving authority mentioned in the Decree No. 43/2014/ND-CP. In case of submitting the application for remission of land levy to the application-receiving authority, the application transferred to the tax

authority shall be carried out according to regulations of law on procedures for reception and transfer of documents on determination of financial obligations of the land user.

2. Within 20 days from the day on which the valid application stated in Clause 3 this Article is received, the tax authority shall determine and make a decision on remission of land levy or notify the applicant of failure to receive remission thereof if the application is rejected.

3. Applications for remission of land levy for social housing projects and graveyard infrastructure projects

a) Application for exemption from land levy for the social housing project mentioned in Clause 1 Article 53 of the 2014 Law on Housing:

- A written request specifying allocated area of land and reasons for exemption;
- A copy of the decision on or approval for investment in the social housing project from a competent state authority;
- A copy of the decision on land allocation made by a competent state authority.

b) Application for exemption from land levy for the social housing project mentioned in Clause 2 Article 53 of the 2014 Law on Housing:

- A written request specifying allocated area of land and reasons for exemption;
- A copy of the decision on or approval for investment in the social housing project from a competent state authority;
- A copy of the decision on land allocation made by a competent state authority;
- A copy of the list of employees of the enterprise/cooperative having housing allocated with confirmation of the competent state authority under regulations of law on housing;
- A written commitment made by the enterprise/cooperative on the house rent which does not exceed that issued by the People's Committee of province according to regulations of law on housing with confirmation of the competent state authority.

c) Application for exemption from land levy for the social housing project mentioned in Clause 3 Article 53 of the 2014 Law on Housing:

- A written request specifying allocated area of land and reasons for exemption;
- A copy of the decision on or approval for investment in the social housing project from a competent state authority;

- A copy of each of documents proving that the household/individual's residential land is eligible for investment in social housing.

d) Application for remission of land levy for graveyard infrastructure projects

- A written request for remission of land levy specifying allocated area of land and reasons for remission;

A copy of either of the investment certificate, investment license, investment registration certificate or decision on investment (except for the cases where issuance of such documents is not required according to regulations of law on investment).

- A copy of the project approved according to regulations of law on investment (except for the cases where issuance of the investment certificate, investment license, investment registration certificate or decision on investment is required);

- A copy of the decision on approval for the project;

- A copy of the decision on land allocation made by a competent state authority."

7. Clause 5 Article 14 is amended as follows:

"5. If there is any change in the land levy calculation bases, the tax authority shall re-determine payable land levy and notify it to the tax payer.

The land user that has made payment related to land levy and requests modification of detailed construction planning for which new land-related payment arises (if any) shall pay additional land levy to the state budget.

The land user that has not made payment related to land levy and requests modification of detailed construction planning for which new land-related payment arises (if any) shall:

- pay in full the land levy determined according to the detailed construction planning before it is modified and the corresponding amount of late payment;

- pay additional land levy which is equal to the difference between the payable land levy based on the planning before and after it is modified and determined at the same time when the competent state authority allows modification of planning (if any)."

8. Article 14a and Article 14b below are added after Article 14:

"Article 14a. Procedures for repayment or deduction of paid land levy or amount received from land use right transfer paid by investors of social housing projects

1. The investor of the social housing project shall submit an application for repayment or deduction of paid land levy or amount received from land use right transfer paid at the Department of Finance of the province where the project is executed.

2. Applications for repayment or deduction of paid land levy or amount received from land use right transfer in the execution of the social housing project:

a) In case of the social housing project mentioned in Clause 1 Article 53 of the 2014 Law on Housing:

- A written request for repayment or deduction;
- A copy of the decision on or approval for investment in the social housing project from a competent state authority.
- A copy of the agreement or document proving reception of land use right transfer;
- A copy of each of the document/invoice proving the amount paid to the state budget when the State allocates or leases out land or document/invoice proving reception of land use right transfer from another organization/household/individual that area of land is used for social housing construction.

b) In case of the social housing project mentioned in Clause 2 Article 53 of the 2014 Law on Housing:

- A written request for repayment or deduction;
- A copy of the decision on or approval for investment in the social housing project from a competent state authority;
- A copy of the list of employees of the enterprise or cooperative having housing allocated with confirmation of the competent state authority under regulations of law on housing;
- A copy of the agreement or document proving reception of land use right transfer;
- A copy of each of the document/invoice proving the amount paid to the state budget when the State allocates or leases out land or document/invoice proving reception of land use right transfer from another organization/household/individual that area of land is used for social housing construction.

3. Time limit for repayment or deduction of paid land levy or amount received from land use right transfer shall be:

a) 20 days from the date receiving the application mentioned in Clause 2 this Article from the investor, the Department of Finance of province shall determine and request the People's

Committee thereof to consider repaying or deducting from paid land levy or amount received from land use right transfer paid to financial obligations of the investor;

a) 10 days from the day on which the People's Committee of province grants the approval for repayment or deduction of paid land levy or amount received from land use right transfer paid to financial obligations of the investor to execute the social housing project, the Department of Finance of province shall request the Department of Taxation or state treasury thereof for implementation.

Article 14b. Procedures for determination of payable land levy when eligible purchasers or lease purchasers sell or transfer social housing

1. A purchaser/lease purchaser of the social house (applicant) wishing to resell it shall submit the application stated in Clause 2 this Article to the land registry.

2. The application for determination of payable land levy when the social house is sold includes:

a) A written request made by the applicant;

b) A copy of the social house sale agreement;

c) A copy of either of the certificate of land use rights, house ownership and other property on land (if any) prescribed in regulations of law on land or documents related to purchase of the house stipulated in regulations of law on social housing.

3. The land registry shall make a notice of payment related to land and send it to the tax collector in person enclosed with the application submitted by the applicant mentioned in Clause 2 this Article in order to determine the payable land levy when selling or transferring the social house.

The notice of payment related to land made by the applicant shall be issued in accordance with regulations of law on applications and procedures for reception and transfer of applications for determination of payment related to land of land users.

4. Within 20 days from the day on which the application is received, the tax authority shall provide the applicant with the payable land levy according to regulations of law on the sale of social housing. Issuance of the notice of payment for land levy and collection of land levy shall be carried out in accordance with regulations of law.”

9. Clause 2 and Clause 3 Article 15 are amended as follows:

“2. The user whose land is allocated by the State not in the form of auction and voluntarily advancing the compensation for ground clearance (hereinafter referred to as “compensation”) in conformity with the plan approved by a competent state authority shall have such advance deducted from the payable land levy provided that the deduction shall not exceed the payable land levy. The remaining compensation that has not been deducted from the payable land levy (if any) shall be added to the investment of the project.

An application for deduction from the compensation consists of:

- A copy of the plan for compensation approved by the competent state authority;

- The documentation and declaration of payment for compensation.

3. In case of the project that the State allocates land in the form of auction with multi-purpose land use: Allocation of levied land or allocation of levy-free or rent-free land and the investor voluntarily advances the compensation under the plan approved by the competent state authority, the deduction of compensation shall be calculated according to each type of area and allocated equally for land area used for public purposes to corresponding land area."

10. The Minister of Finance shall provide detailed guidance on this Article.

Article 3. Amendments to certain articles of the Decree No. 46/2014/ND-CP dated May 15, 2014 on collection of land rent and water surface rent

1. Point a Clause 4, Clause 5 and Clause 6 Article 4 are amended as follows:

"4. Methods of direct comparison, deduction, income or surplus prescribed in the Government's Decree on land prices shall be applied when:

a) Determining the annual land rent/m² for the first period over which the land rent/m² is stable in the cases where rented land is used for business, commercial, service, real estate or mineral extraction purposes; determining the lump-sum land rent/m² for the whole land lease term not in the form of auction; determining the land rent/m² when repurposing annual payment as lump-sum payment in accordance with the provision of Clause 2 Article 172 of the Land Law; determining the land rent/m² when receiving transfer of property on rented land in accordance with the provision of Clause 3 Article 189 of the Land Law; determining annual land rent/m² and lump-sum land rent/m² when a state-owned enterprise is equitized provided that the rented land is assessed (calculated according to land prices on the land price list) at VND 30 billion or over for central-affiliated cities; VND 10 billion or over for mountainous provinces; VND 20 billion or over for other provinces.

5. Method of coefficient k prescribed in the Government's Decree on land prices shall be applied when:

a) Determining the annual land rent/m² in the cases where rented land is used for business, commercial, service, real estate or mineral extraction purposes; determining the lump-sum land rent/m² for the whole land lease term not in the form of auction; determining the land rent/m² when repurposing annual payment as lump-sum payment in accordance with the provision of Clause 2 Article 172 of the Land Law; determining the land rent/m² when receiving transfer of property on rented land in accordance with the provision of Clause 3 Article 189 of the Land Law; determining annual land rent/m² and lump-sum land rent/m² when a state-owned enterprise is equitized provided that the rented land is assessed (calculated according to land prices on the

land price list) at under VND 30 billion for central-affiliated cities; under VND 10 billion for mountainous provinces; under VND 20 billion for other provinces.

b) Determining the annual land rent/m² for the following period over which the land rent is stable in the cases where the piece of land or land area leased out by the State is used for business, commercial, service, real estate or mineral extraction purposes is assessed (calculated according to land prices on the land price list) at VND 30 billion or over for central-affiliated cities; VND 10 billion or over for mountainous provinces; VND 20 billion or over for other provinces.

c) Determining the annual land rent/m² (excluding the cases where rented land is used for business, commercial, service, real estate or mineral extraction purposes).

d) Determining the starting price for the auction to lease out land in the form of paying annual land rent.

The annual coefficients k shall be provided by People's Committees of provinces and applied to the cases stated in this Clause.

The annual coefficients k provided by People's Committees of provinces shall come into force from January 01 every year. The time for conducting surveys to develop coefficients k shall start from October 01 every year. Costs related to development of coefficients k to calculate land rent (including costs of hiring consulting service providers if necessary) funded by budget under regulations of law on state budget. Selection of consulting service providers responsible for conducting surveys and developing coefficients k shall comply with regulations of law on bidding.

In the cases where the People's Committee of province has not issued coefficient k when the land rent/m² is determined or adjusted, coefficient k issued in the previous year shall be applied and such People's Committee may take responsibility for loss of budget due to failure to issue coefficient k on schedule (if any).”

6. Procedures for determination of the starting price for the auction to lease out land or water surface

a) Procedures for determination of the starting price to hold the auction for the cases where area having land rent or water surface rent collected of piece of land or land area is assessed (calculated according to land prices on the land price list) at VND 30 billion or over for central-affiliated cities; VND 10 billion or over for mountainous provinces; VND 20 billion or over for other provinces shall be carried out under the Government's regulations on land prices and amended documents (if any); in which specific land prices shall be determined by the Department of Natural Resources and Environment of province and transferred to the inspection council with the inspection conducted by the Department of Finance thereof and then submitted to the People's Committee thereof for approval.

b) Procedures for determination of the starting price to hold the auction for the cases where area of rented land/water surface of the piece of land or land area is assessed at (calculated according

to land prices on the land price list) under VND 30 billion for central-affiliated cities; under VND 10 billion for mountainous provinces; under VND 20 billion for other provinces:

- Within 10 days from the day on which the competent state authority gives a decision on auction in accordance with regulations of law on land, the natural resource and environmental authority (applicant) shall transfer an application on determination of the starting price to a corresponding finance authority. The application for determination of the starting price includes:

+ A written request made by the applicant;

+ A copy of the decision on the auction approved by the competent state authority;

+ A copy of the cadastral document (information about area, location, purposes of land use, form of land lease, land/water surface lease term, etc.).

- Within 10 days from the date of receiving the application for determination of the starting price for the auction from the applicant, the finance authority shall determine the starting price in accordance with regulations of law on collection of land rent or water surface rent and request a competent state authority (the People's Committee of province or an authorized state authority) for approval.

If the application is invalid, the finance authority shall inform the applicant in writing of additional documents within 5 working days from the day on which the application is received. Within 10 days from the day on which the valid application is received, the finance authority shall provide the applicant with the starting price.

- An organization responsible for holding the auction shall conduct the auction according to the decision on approval for the starting price from the competent state authority.

Procedures for re-determination of the starting price shall be carried out equivalent to those for the first time.

c) Procedures for determination of the starting price for the auction with property under state ownership shall comply with regulations of law on management and use of public property."

2. Clause 3 Article 7 is amended as follows:

"3. The State shall lease out the water surface (sea surface) for exploration or extraction of oil/gas. Contractors shall pay for water/sea surface rent unless otherwise stated in a commitment made by and between the Vietnam Government and a foreign government or organization in accordance with concluded agreements. Sea surface rent shall be calculated as follows:

a) Sea surface rent/m² for extraction of oil/gas shall be applied at the maximum level of the water surface rent bracket specified in Clause 1 this Article and shall remain for 5 years according to Clause 2 Article 14 herein or the commitment made by and between the Vietnam Government

and a foreign government or organization in accordance with concluded agreements. Rented sea surface area shall be the area that is allocated for extraction of oil/gas.

b) The sea surface rent/m² for exploration of oil/gas shall be 50% of that for extraction thereof. The sea surface rent for exploration shall be collected during the exploration and corresponding to each reservoir of each time for exploration.

c) The water surface (sea surface) rent shall be collected from the day on which the water surface is allocated for exploration or extraction of oil/gas.”

3. Clause 5 and Clause 6 are amended and Clauses 6a, 7a and 8a are added to Article 12 as follows:

“5. Whether the land used for purposes liable to the land rent or not, the payable land rent shall be determined according to each purpose of land use.

Where land lessees lease land from the State in accordance with regulations of law on land are using houses or land at multi-purpose construction works under state ownership or have pieces of land under state management that fail to separate for each land user, they shall pay the land rent equal to distribution coefficients of used floor area.

6. The investor leases land from the State with lump-sum payment for land rent has paid land rent or received land use right transfer legally and then repurposing as land lease if the investor request adjustment of detailed construction that causes payment (if any), the investor shall pay land rent to state budget.

The land user that has not made payment related to land rent and requests modification of detailed construction planning for which new land-related payment arises (if any) shall:

- pay in full the land rent determined according to the detailed construction planning before it is modified and the corresponding amount of late payment;

- pay additional land rent which is equal to the difference between the payable land rent based on the planning before and after it is modified and determined at the same time when the competent state authority allows modification of planning (if any).

6a. The People’s Committee of province shall raise coefficient k in the cases where the land user leases annually rented land from the State that the rented piece of land or land area is assessed (calculated according to land prices on the land price list) at VND 30 billion or over for central-affiliated cities; VND 10 billion or over for mountainous provinces; VND 20 billion or over for other provinces when executing the project in accordance with the detailed construction planning approved by the competent state authority for rental land area (without land repurposing) and the floor area ratio (building density, building height) is higher than that stated in physical planning before executing the project.

7a. A public service provider whose levy-free land is allocated by the State and using part of or the entire area of land, house or construction work for production, trade, service provision, lease, joint venture or association purposes in accordance with regulations of law on management and use of public property shall pay for land rent as follows:

a) Where the State allocates or leases out land or property on land for the purposes of production, trade, service provision, lease, joint venture or association, the land rent shall be determined similarly to the cases where the State leases out land to a business entity.

b) Where part of land area or property on land is used for the purposes of production, trade, service provision, lease, joint venture or association, the payable land rent shall be determined according to land prices on the land price list, rate (%) of land rent/m² and coefficient k provided by the People's Committee of province and the rate (%) of area of land, house or construction work (used floor) used for the purposes thereof.

c) If the part of land area or property on land mentioned in Point b this Clause fails to separate from the area used for the purposes of production, trade, service provision, lease, joint venture or association, the payable land rent shall be determined according to the allocation coefficient. The allocation coefficient shall be determined according to the ratio of revenue earned from production, trade, service provision, lease, joint venture or association to total estimated collection of a public service provider approved by a competent state authority.

8a. The entity whose land is leased out by the State with annual land rent to execute the project on production or trade voluntarily returning land no longer used but a competent state authority delays giving a decision on land appropriation shall not pay for land rent from the time when a written request for land return is given to the time when the competent state authority gives the decision on land appropriation in accordance line regulations of law on land. Such entity shall make all payments related to land rent (including late payment) from the day on which the written request for voluntary return of land is given in compliance with regulations of law on land."

4. Clause 2 is amended and Clause 3a is added to Article 13 as follows:

"2. The lessee whose land is allocated by the State not in the form of auction and the lessee voluntarily advancing the compensation in conformity with the plan approved by the competent state authority shall have such advance deducted from the payable land rent provided that the deduction shall not exceed the payable land rent. The remaining compensation that has not been deducted from the payable land rent (if any) shall be added to the investment of the project.

An application for deduction from the compensation consists of:

- A copy of the plan for compensation approved by the competent state authority;
- The documentation and declaration of payment for compensation.

3a. In the cases where the State appropriates land, provide compensation and leases out land in the form of annual land rent but fails to balance the state budget for providing compensation, the Department of Finance of province shall request the People's Committee thereof to consider whether the lessee voluntarily advances the land rent corresponding to the compensation in accordance with the plan approved by the competent state authority. The tax authority shall convert such amount of money into the number of year(s) or month(s) of annual payment due and notify it to the land lessee provided that the deduction does not exceed the payable land rent.

5. Clause 2 Article 17 is amended as follows:

“2. In the cases where the land use term is extended and the land user is obliged to make payment for land rent, the land rent shall be determined in conformity with policies and land prices at the time for extension.

In case of annually rental land, the stable cycle of the land rent/m² shall be calculated from the time when a decision on land lease term extension is given by a competent state authority. In case the land lease term expires before the decision land lease term extension is given by the competent state authority, the land user shall make payment for annual land rent for such extension in line with the land rent/m² based on land prices on the land price list, coefficient k and rate (%) for calculating the land rent/m² provided by the People's Committee of province.”

6. Clause 7 is amended and Clause 9 and Clause 10 are added to Article 18 as follows:

“7. Where a competent state authority detects the land user whose land rent is remitted but failing to fulfill requirements for remission of land rent stated in the decision or agreement on land lease and not having land appropriated in accordance with regulations of law on land or having land appropriated in compliance with the provision of Point 1 Clause 1 Article 64 of the Land Law, the land user shall reimburse the remitted land rent to state budget as follows:

a) The remitted land rent reimbursed shall be determined according to land prices on the land price list, coefficient k and rate (%) for calculating the land rent/m² provided by the People's Committee of province at the time when the decision on remission of land rent is given and plus the amount of late payment over the reimbursed amount in conformity with regulations of law on management of tax in each period. The land user shall not reimburse the remitted amount in the area having investment incentives.

b) The amount of late payment specify in Point a shall be calculated from the date when the tax authority gives the decision on remission of land rent to the date when the competent state authority appropriate the remitted land rent.

c) The Department of Taxation of province shall request the People's Committee thereof to appropriate the remitted land rent if the land user is an overseas entity or foreign-invested enterprise.

d) The Department of Taxation of district shall request the People's Committee thereof to appropriate the remitted land rent if the land user is a household or individual.

dd) The tax authority shall make decisions on remission of land rent.

9. Where a land user leases land from the State with lump-sum payment and receives exemption from the entire land rent but wishes to pay for land rent (without incentives) during the land lease term, the payable land rent paid in lump sum for the remaining land lease term shall be determined according to policies and land prices at the time when the land user makes a request for land rent payment. The land user shall have the rights to land corresponding to the remaining land lease term when the land rent is not exempted.

10. If the land lessee not subject to remission of land rent or subject thereto but the remission expires when a competent state authority allows land repurposing for the execution of the project subject to remission of land rent but the lease term of land after repurposing from at least 50 years from the date when the decision on land repurposing is given onwards shall have land rent remitted.

7. Article 21 is amended as follows:

“Article 21. Procedures for remission of land rent or water surface rent

1. The land lessee shall submit an application for remission of land rent to the tax collector in person or to the application-receiving authority mentioned in the Decree No. 43/2014/ND-CP.

In case of submitting the application for remission of land rent to the application-receiving authority, the application transferred to the tax authority shall be carried out according to regulations of law on procedures for reception and transfer of documents on determination of financial obligations of the land user.

2. According to the application mentioned in Clause 3 this Article, the tax authority shall determine and decide the remitted land rent or water surface rent as follows:

a) The Director of the Department of Taxation of province shall make the decision on remission of land rent or water surface rent if the land lessee is a business entity, foreign entity or overseas Vietnamese.

b) The Director of the Department of Taxation of district shall make the decision on remission of land rent or water surface rent if the land lessee is a household or individual.

3. Applications for remission of land rent

a) Application for exemption from land rent during capital construction:

- A written request specifying area of rented land, land lease term, reasons and duration of the exemption;

- A copy of either of the investment certificate, investment license, investment registration certificate or decision on investment (except for the cases where issuance of such documents are not required according to regulations of law on investment);

- A copy of the project approved according to regulations of law on investment (except for the cases where issuance of the investment certificate, investment license, investment registration certificate or decision on investment is required);

- A copy of the decision on approval for the project;

- A copy of the decision on land lease made by a competent state authority.

b) Application for remission of land rent specified in regulations of law on investment:

- A written request specifying area of rented land, land lease term, reasons and duration of the remission;

- A copy of either of the investment certificate, investment license, investment registration certificate or decision on investment (except for the cases where issuance of such documents is not required according to regulations of law on investment and levy-free land allocated by the State is now repurposed as rented land or land leased out by the State is now eligible for remission of land rent);

- A copy of the project approved in compliance with regulations of law on investment (except for the cases where the levy-free land allocated by the State is now repurposed as rented land or land leased out by the State is now eligible for remission of land rent);

- A copy of the decision on approval for the project;

- A copy of the decision on land lease made by a competent state authority.

It is not required to include the approved project in the application if the project has obtained the investment certificate, investment license, investment registration certificate or decision on investment (except for the project mentioned in Point c or Point d Clause 2 Article 15 of the Law on Investment).

c) Application for remission of land rent for the entity specified in Point a, b, c or d Clause 1 Article 18 of the Decree No. 46/2014/ND-CP (amended in Clause 5 Article 3 of the Decree No. 135/2016/ND-CP):

- A written request specifying area of rented land, land lease term, reasons and duration of the remission;

- A copy of the decision on land lease made by a competent state authority;

- A copy of the document proving eligibility for remission of land rent.

d) Application for exemption from land rent during the suspension of operations due to force majeure events specified in Clause 1 Article 47 of the 2014 Law on Investment:

- A written request for exemption from land rent during the suspension of operations;
- A written confirmation made by an investment registration authority on the suspension of project operations or a written confirmation made by a competent state authority;
- A copy of the decision on land lease made by a competent state authority.

dd) Application for remission of land rent submitted by an investor executing the housing construction project for workers on subleased land of an enterprise trading in infrastructure of industrial parks or industrial clusters:

- A written request for exemption from land rent made by an enterprise trading in infrastructure for the land area subleased by a minor investor for execution of the project;
- A written request for exemption from land rent made by the minor subleasing land from the enterprise trading in infrastructure for execution of the project;
- A copy of the project that has been set up, inspected and approved in accordance with regulations of law on investment and housing;
- A copy of the decision on approval for the project;
- A copy of the agreement on land sublease concluded by and between the investor of the project and the enterprise trading in infrastructure of industrial parks or industrial clusters.

e) Application for remission of land rent submitted by a scientific research institution:

- A written request specifying each land area used for building the laboratory, technology incubator and business incubator, experimental institution or experimental production institution;
- A copy of either of the certificate of high-tech enterprise or certificate of scientific and technological enterprise/institution;
- A copy of the decision on land lease made by a competent state authority.

4. Time limit for submission of the application for remission of land rent by the land lessee shall be:

- a) 20 days from the day on which the competent state authority reaches the decision on land lease in case of remission of land rent during the capital construction and specified in regulations of law on investment (apart from the project mentioned in Point c or Point d Clause 2 Article 15 of the Law on Investment);
- b) 30 days from the date of repurposing as rented land or the date when land rent is remitted according to regulations of law on land or another effective date specified by the Government or the Prime Minister in case of remission of land rent stated in Point a, b, c or d Clause 1 Article

18 of the Decree No. 46/2014/ND-CP (amended in Clause 5 Article 3 of the Decree No. 135/2016/ND-CP).

5. Time limit for making the decision on remission of land rent or the notice of failure to receive remission thereof if the application is rejected:

a) 20 days from the date of receiving the valid application during the capital construction;

a) 30 days from the date of receiving the valid application in case of the project eligible for receiving incentives in accordance with regulations of law on investment (apart from the entity mentioned in Point a, b, c or d Clause 1 Article 18 of the Decree No. 46/2014/ND-CP (amended in Clause 5 Article 3 of the Decree No. 135/2016/ND-CP);

c) 20 days from the date of receiving the valid application in case of the project eligible for remission of land rental stated in Point c or Point d Clause 2 Article 15 of the Law on Investment;

d) 20 days from the date of receiving the valid application during the suspension of operations stated in Clause 1 Article 47 of the Law on Investment. The tax authority may cooperate with investment registration authorities and other authorities (if necessary) in organizing inspection visits, determining particular time for suspension of operations and making decisions on exemption from land rent;

dd) 20 days from the date of receiving the valid application in the cases where the investor executes the project on housing construction for workers and subleases land in industrial parks or industrial clusters of the enterprise trading in infrastructure in line with the planning approved by the competent state authority.

6. Determination of capital construction duration when the land rent is exempted

a) According to the application for remission of land rent, the tax authority shall cooperate with relevant authorities in determining capital construction duration and making the decision on exemption from land rent for each project provided that such duration does not exceed 3 years from the day on which the decision on land lease is given.

If the investment certificate, investment license, investment registration certificate or decision on investment that has been granted for the first time and specifies capital construction duration (project schedule), the tax authority shall rely on the investment certificate/investment license/investment registration certificate to make the decision on exemption from land rent for each project provided that such duration does not exceed 3 years from the day on which the decision on land lease is given.

b) Where the land user leases land from the State does not apply for exemption from land rent during capital construction, the duration for exemption from land rent shall comply with regulations of law on investment and apply from the day on which the decision on land lease is given. In case of late submission of the application for exemption from land rent stated in Point a

Clause 2 this Article, the land rent shall only be exempted for the remaining incentive duration (if any) from the date when the tax authority receives the application and shall not be exempted during the late submission.

7. Determination of remitted land rent stated in regulations of law on investment to specify in the decision on remission of land rent

a) In case of annual land rent:

- If the land price used for calculating the land rent determined by a competent state authority is available at the time when the application for remission of land rent is submitted, the remitted land rent shall be determined according to land price used for calculating the land rent.

- If the competent state authority fails to determine the land price used for calculating the land rent at the time when the application for remission of land rent is submitted, the remitted land rent shall be determined according to land prices on the land price list, coefficient k and rate (%) of the land rent/m² provided by the People's Committee of province.

- In the cases where the annual land rent is reduced by 50% for the whole land lease term or for a few years, the reduced amount specified in the decision on reduction in land rent shall be the amount determined within the stable duration of land rent/m² at the time when such decision is given and shall be adjusted when the land rent/m² is adjusted.

b) In case of lump-sum land rent:

- If the land rent is exempted for the whole land lease term, the exempted land rent specified in the decision on exemption from land rent shall be determined according to the provision of Point a of this Clause.

- If the land price used for calculating the land rent is determined according to coefficient k method and the land rent is exempted for a few years but the competent state authority fails to determine the land price used for calculating the land rent at the time when the land lessee submits the application for exemption from land rent, the exempted land rent shall be specified in the decision on exemption from land rent as follows:

$$\text{Exempted land rent} = \frac{\text{Land price on the land price list (x) coefficient k}}{\text{Duration of the type of land on the land price list}} \times \frac{\text{Number of year exempted from land rent (including exemption from land rent during the capital construction)}}{\text{Rented land area}}$$

- If the land price used for calculating the land rent is determined according to methods of direct comparison, deduction, income or surplus and the land rent is exempted for a few years but the competent state authority fails to determine the land price used for calculating the land rent at the time when the land lessee submits the application for exemption from land rent, the tax authority shall inform the natural resource and environmental authority of the duration when the land rent

is exempted in order to determine the land price used for calculating the lump-sum land rent corresponding to the duration of payable land rent. The exempted land rent specified in the decision on exemption from land rent shall be determined as follows:

$$\text{Exempted land rent} = \frac{\text{Land price on the land price list (x) coefficient k}}{\text{Duration of the type of land on the land price list}} \times \frac{\text{Number of year exempted from land rent (including exemption from land rent during the capital construction)}}{\text{Rented land area}}$$

The duration of payable land rent shall be equal to the land lease term minus (-) the duration when the land rent is exempted (including exemption from land rent during the capital construction).

- In the cases where the land rent is exempted for a few years but the competent state authority has determined the land price used for calculating the lump-sum land rent at the time when the land lessee submits the application for exemption from land rent (excluding the duration when the land rent is exempted), the land rent exempted to deduct from the payable land rent (determined) and specified in the decision on exemption from land rent shall be determined as follows:

$$\text{Exempted land rent} = \frac{\text{Land price used for calculating the land rent}}{\text{Land lease term}} \times \frac{\text{Number of year exempted from land rent (including exemption from land rent during the capital construction)}}{\text{Rented land area}}$$

8. Clause 3 is amended and Clause 5a is added to Article 24 as follows:

“3. Payment for annual land rent or water surface rent shall be divided into 2 phases: Making at least 50% of the payment before May 31 every year for the first phase and the remaining payment before October 31 every year for the second phase. If the time for determination of payment for payable land rent or water surface rent is between October 31 and December 31 inclusive in the first year, the tax authority shall provide the land/water surface lessee with a notice of making payment for land rent or water surface rent in the remaining months of the year and the time limit for making payment shall be 30 days from the effective date of the notice. After the aforesaid time limit, the land/water surface lessee shall make payment for extra amount of late payment in conformity with regulations of law on tax administration.”

“5a. In case of the lessee leasing land or water surface from the State before July 15, 2014 and being obliged to pay for land rent or water surface rent in arrears:

a) Within 30 days from the effective date of the notice of making payment for land rent or water surface rent in arrears, the land/water surface lessee shall pay 50% of the land rent/water surface rent stated in such notice;

b) Within the next 60 days, the land/water surface lessee shall pay 50% of the remaining land rent/water surface rent.

c) The land/water surface lessee failing to make full payment for land rent/water surface rent after the time limit mentioned in Point a or Point b this Clause shall make payment for extra amount of late payment in conformity with regulations of law on tax administration.”

9. Clauses 5, 6, 7 and 8 are added to Article 32 as follows:

“5. In case of a state-owned enterprise that has officially changed into a joint-stock company before July 01, 2014 but is responsible for adjustment to land rent/m², making financial statements on advance and making payment for payable land rent in arrears as specified in Point b Clause 4 Article 32 of the Decree No. 46/2014/ND-CP:

a) If a competent state authority fails to make financial statements on transferring capital or property to the joint-stock company at the time when the tax authority provides a notice of collecting the payable land rent from the state-owned enterprise, the joint-stock company shall transfer land rent in arrears to state budget. The land rent transferred by the joint-stock company shall be handled in accordance with regulations on making financial statements on transferring capital or property to the joint-stock company.

b) If the competent state authority has made financial statements on transferring capital or property to the joint-stock company in accordance with regulations of law on equitization of state-owned enterprises at the time when the tax authority provides a notice of collecting the payable land rent, the joint-stock company shall not transfer land rent in arrears to state budget as specified in Point b Clause 4 Article 32 of the Decree No. 46/2014/ND-CP until the official change into the joint-stock company.

6. If the People’s Committee of province makes a decision on reduction in the rate (%) to calculate land rent/m² or coefficient k to assist the enterprise in difficulty when the enterprise lease annually rented land from the State and the period of land rent/m² is stable, it shall be entitled to apply the reduced rate (%) or coefficient k from the effective date of such decision and apply to the remaining stable period of land rent/m². When the stable period is over, the land rent/m² shall be adjusted according to policies and land prices at the time for adjustment.

7. Handling of water/sea surface rent in case of effective agreements on exploration and extraction of oil/gas that are concluded before July 01, 2017:

a) The contractor shall make payment for sea surface rent if it is specified in the agreement. Where the responsibility of refunding the payment for tax amount or compulsory payment (including sea surface rent) from the contractor’s account to the contractor by the Vietnam Oil and Gas Group is stated in the oil/gas agreement, the Vietnam Oil and Gas Group shall pay for sea surface rent or refund the contractor the sea surface rent paid by the contractor.

b) The contractor that is exempted from all rent or other payments as stated in the oil/gas agreement or not obliged to pay for sea surface rent according to regulations of law on oil/gas shall not pay sea surface rent.

c) Contractors shall not pay for sea surface rent if they have concluded agreements in accordance with the model agreement mentioned in the Government's Decree No. 33/2013/ND-CP dated April 22, 2013. If the contractor wishes to extend the agreement according to regulations of law on petroleum after it expires, such contractor shall pay for extra sea surface rent during the extension.

8. The investor that has paid for compensation according to the plan approved by the competent state authority (both under an agreement and from reception of transfer) before July 01, 2004 and the leases land from the State after July 01, 2004 shall have amount of compensation for land and assistance in land according to the plan approved by the competent state authority or value of land use rights in line with purposes of legal land transfer reception determined and approved by the competent state authority (in case of agreement or reception of transfer) at the time for reaching the agreement or receiving transfer (allocated for the remaining land lease term corresponding to the rented land area and not aggregated with business expenses) deducted from the payable land rent provided that such amount does not exceed the payable land rent shall be converted into the number of year(s) or month(s) of annual land rent payment due. The land rent/m² used for the conversion shall apply to policies and land prices from January 01, 2016.”

10. The Minister of Finance shall provide detailed guidance on this Article.

Article 4. Effect

1. This Decree comes into force from January 01, 2018.

2. Article 7.9 of the model agreement attached to the Government's Decree No. 33/2013/ND-CP dated April 22, 2013 shall be annulled.

3. Ministers, heads of ministerial and governmental authorities and Chairpersons of People's Committees of provinces shall implement this Decree.

**ON BEHALF OF THE GOVERNMENT
PRIME MINISTER**

Nguyen Xuan Phuc

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THE PRESIDENT

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

No. 22/2013/L-CTN

Ha noi, December 9, 2013

ORDER

on the promulgation of law ^(*)

THE PRESIDENT OF THE SOCIALIST REPUBLIC OF VIETNAM

Pursuant to Articles 103 and 106 of the 1992 Constitution of the Socialist Republic of Vietnam, which was amended and supplemented under Resolution No. 51/2001/QH10 of December 25, 2001, of the Xth National Assembly, the 10th session;

Pursuant to Article 91 of the Law on Organization of the National Assembly;

Pursuant to Article 57 of the Law on Promulgation of Legal Documents,

PROMULGATES:

The Land Law,

which was passed on November 29, 2013, by the XIIIth National Assembly of the Socialist Republic of Vietnam at its 6th session.

President of
the Socialist Republic of Vietnam
TRUONG TAN SANG

^(*) *Công Báo Nos 1011-1012 (31/12/2013)*

THE NATIONAL ASSEMBLY

SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

No. 45/2013/QH13

LAND LAW ^(*)

Pursuant to the Constitution of the Socialist Republic of Vietnam;

The National Assembly promulgates the Land Law.

Chapter I

GENERAL PROVISIONS

Article 1. Scope of regulation

This Law prescribes the land ownership, powers and responsibilities of the State in representing the entire-people ownership of land and uniformly managing land, the land management and use regimes, and the rights and obligations of land users over the land in the territory of the Socialist Republic of Vietnam.

Article 2. Subjects of application

1. State agencies that exercise the powers and perform the responsibilities of the representative of the entire-people ownership of land, and perform the tasks of uniform state management of land.
2. Land users.
3. Other subjects involved in land management and use.

Article 3. Interpretation of terms

In this Law, the terms below are construed as follows:

1. *Land parcel* means a land area delimited by boundaries determined in the field or described in records.
2. *Land use master plan* means the distribution and zoning of land by use space to serve the objectives of socio-economic development, national defense, security, environmental protection

^(*) Công Báo Nos 1011-1012 (31/12/2013)

and climate change adaptation based on the land potential and land use demands of all sectors and fields, for each socio-economic region or administrative unit in a given period of time.

3. *Land use plan* means the division of a land use master plan according to periods of time for implementation during the period of the land use master plan.

4. *Cadastral map* is a map that shows the land parcels and related geographic elements, and is made according to administrative units of communes, wards or townships, and certified by a competent state agency.

5. *Current land use map* is a map that demonstrates the distribution of various types of land at a specified time, and is made for every administrative unit.

6. *Land use master plan map* is a map made at the beginning of a planning period, which demonstrates the distribution of various types of land at the end of that planning period.

7. *The State allocates land use rights* (below referred to as the State allocates land) means that the State issues decisions on land allocation to grant land use rights to subjects having land use demand.

8. *The State leases land use rights* (below referred to as the State leases land) means that the State decides to grant land use rights to subjects having land use demand under contracts on land use rights lease.

9. *The State recognizes land use rights* means that the State grants land use rights to a person that is using stably the land not allocated or leased by the State, through the grant of a certificate of land use rights and ownership of houses and other land-attached assets for the first time, for a certain land parcel.

10. *Transfer of land use rights* means the transfer of land use rights from one person to another by ways of exchange, transfer, inheritance or donation of land use rights, or contribution of land use rights as capital.

11. *The State recovers land* means the State decides to recover land use rights from a person that is granted land use rights by the State, or from a land user that violates the land law.

12. *Land compensation* means the State returns the value of land use rights for the recovered land area to land users.

13. *Remaining land investment costs* include costs for ground fill-up and leveling and other directly related costs that can be proved to have been invested in the land and have not been retrieved by the time the State recovers the land.

14. *Support upon land recovery by the State* means the State provides assistance to those whose land is recovered, in order to stabilize their livelihood, production and development.