

a/ In case of subleasing land with full one-off rental payment for the entire lease period, they have the rights and obligations prescribed in Article 174 of this Law;

b/ In case of subleasing land with annual rental payment, they have the rights and obligations prescribed in Article 175 of this Law.

4. Land users in industrial parks, industrial clusters or export processing zones shall use land for the determined land use purposes, be granted a certificate of land use rights and ownership of houses and other land-attached assets, and have the rights and obligations prescribed in this Law.

5. Economic organizations, households, individuals or overseas Vietnamese that invest in production and business in industrial parks, industrial clusters or export processing zones and have been allocated land by the State or acquired land use rights together with infrastructure from other economic organizations or overseas Vietnamese that have invested in the construction and commercial operation of infrastructure of industrial parks, industrial clusters or export processing zones prior to the effective date of this Law, may continue using the land for the remaining project duration without having to change to lease land. At the expiry of the project duration, if these subjects still have demand, the State shall consider leasing land to them in accordance with this Law.

6. The Government shall detail this Article.

**Article 150.** Land for hi-tech zones

1. Land for hi-tech zones that are established under decisions of the Prime Minister includes land of different categories with different land use regimes used for the production and trading of hi-tech products, research, development and application of high technology and training of hi-tech human resources.

During the planning and establishment of hi-tech zones, the planning and construction of housing areas and public facilities outside the hi-tech zones to serve the life of experts and workers in hi-tech zones must be carried out simultaneously.

2. The management board of a hi-tech zone shall be allocated land in the hi-tech zone by the provincial-level People's Committee. The board may lease land to organizations, individuals, overseas Vietnamese or foreign-invested enterprises using land in the hi-tech zone in accordance with this Law.

3. The management board of a hi-tech zone shall make a detailed construction plan of the hi-tech zone and submit it to the provincial-level People's Committee of the locality where the land is located for approval.

The provincial-level People's Committee shall allocate land to the management board of the hi-tech zone to organize the construction and development of the hi-tech zone in accordance with the approved master plan.

4. Land users that lease land in a hi-tech zone from its management board have the same rights and obligations as leasing land from the State in accordance with this Law.

5. The enterprise that develops the hi-tech zone or develops the infrastructure is entitled to lease land from the management board. Those who have demand to use land in the hi-tech zone may sublease land from this enterprise.

6. Land users in a hi-tech zone shall use land in accordance with land use purposes indicated in the land lease contract, be granted a certificate of land use rights and ownership of houses and other land-attached assets, and have the rights and obligations prescribed in this Law.

In case of transfer of land use rights in a hi-tech zone, the transferee shall continue using the land for the determined land use purpose.

7. The State shall encourage organizations, overseas Vietnamese and foreign-invested enterprises to invest in the construction and commercial operation of infrastructure in hi-tech zones, and encourage organizations, individuals, overseas Vietnamese and foreign-invested enterprises to use land for the development of science and technology.

8. The determination of land rental rates and calculation of land rentals in hi-tech zones must comply with this Law.

**Article 151. Land for economic zones**

1. Land for economic zones includes land used for construction of economic zones or border-gate economic zones which are established under decisions of the Prime Minister. Land in an economic zone includes land used for its functional areas, including non-tariff zone, tariff-bonded zone, export processing zone, industrial park, entertainment zone, tourist area, urban area, residential area, administrative area and other functional areas which are consistent with characteristics of each economic zone in order to create an especially favorable investment and business environment for investors.

The construction or opening of an economic zone must conform with the master plan on the economic zone system in the whole country.

2. Provincial-level People's Committees shall allocate land to the management boards of economic zones to organize the construction of the economic zones in accordance with the approved land use plan which is included in the detailed construction master plans of the economic zones.

3. The management board of an economic zone shall carry out the compensation and ground clearance for the recovered land which is allocated by a competent state agency before re-allocating or leasing the land. The management board may re-allocate land with or without land use levy or lease land to land users that need to use the land in the functional areas of the economic zone under Articles 54, 55 and 56 of this Law.

The land use term for production and business in an economic zone must not exceed 70 years.

4. Land users in an economic zone are entitled to invest in the construction of and trading in houses and infrastructure, and to conduct production, business and service activities, and have the following rights and obligations:

a/ In case of being re-allocated land in the economic zone by the management board, they have the rights and obligations as allocated land by the State in accordance with this Law;

b/ In case of leasing land in the economic zone from the management board, they have the rights and obligations as leasing land from the State in accordance with this Law.

5. The State shall encourage investment in the construction and commercial operation of infrastructure in economic zones and encourage the use of land for economic development.

6. The land use regime and rights and obligations of land users in an economic zone shall apply in accordance with each type of land as prescribed in this Law.

7. Economic organizations, households, individuals or overseas Vietnamese that invest in production and business in an economic zone and have been allocated land by the State or acquired land use rights from other economic organizations or overseas Vietnamese prior to the effective date of this Law may continue using the land for the remaining project duration without having to change to lease land. At the expiry of the project duration, if these subjects still have demand, the management board shall consider leasing land to them in accordance with this Law.

8. The Government shall detail this Article.

**Article 152.** Land used for mining activities

1. Land used for mining activities includes land used for mineral exploration, exploitation and processing, land for auxiliary facilities for mining activities and safety corridors in mining activities.

2. Land used for mineral exploration and exploitation shall be leased by the State to organizations, individuals, overseas Vietnamese or foreign-invested enterprises that are permitted to carry out projects on mineral exploration and exploitation.

Land used as ground for mineral processing falls under the type of non-agricultural land for production and business purposes with the same land use regime as for the land for trading and services or non-agricultural production establishments as prescribed in Article 153 of this Law.

3. The use of land for mining activities must comply with the following provisions:

a/ Having a license for mining activities and a decision on land lease for mineral exploration and exploitation or a decision on lease of land as mineral processing ground, granted by a competent state agency according to the Government's regulations;

b/ Taking measures for environmental protection, waste treatment and other measures to avoid causing damage to other land users in the area or the surrounding areas;

c/ The use of land must be in line with the progress of mineral exploration and exploitation. Land users shall return the land in accordance with the progress of mineral exploration and exploitation and with the status of surface soil as stipulated in the land lease contract;

d/ If the mineral exploration and exploitation do not require the use of surface soil or do not affect the use of the ground, there is no need to lease the surface soil.

**Article 153.** Land used for trading and services; land for non-agricultural production establishments

1. Land used for trading or services includes land used for construction of trading or service establishments and other facilities serving trading or services.

Land used for non-agricultural production establishments includes land used for construction of non-agricultural production establishments that are located outside industrial parks, industrial clusters or export processing zones.

2. The use of land for trading, services and non-agricultural production establishments must be in line with land use master plans and plans, urban construction master plan and master plan for development of rural residential areas which have been approved by competent state agencies, and with regulations on environmental protection.

3. Economic organizations, households or individuals may use land for trading, services or for non-agricultural production establishments, which is the land obtained through leasing land from the State, acquiring land use rights, leasing or subleasing land or receiving land use rights contributed as capital from other economic organizations, households or individuals, or from overseas Vietnamese, or subleasing land together with infrastructure from foreign-invested enterprises.

Overseas Vietnamese may use land for trading, services or non-agricultural production establishments, which is the land obtained through leasing land from the State, or leasing or

subleasing land from other economic organizations, households or individuals, or from other overseas Vietnamese, or subleasing land together with infrastructure from foreign-invested enterprises. Overseas Vietnamese who are defined Clause 1, Article 186 of this Law are also entitled to obtain land through inheritance or donation of land use rights to use for construction of trading, services or non-agricultural production establishments.

Foreign-invested enterprises may use land for trading, services or non-agricultural production establishments, which is the land obtained through leasing land from the State, or leasing or subleasing land from economic organizations or overseas Vietnamese, or subleasing land together with infrastructure from other foreign-invested enterprises.

**Article 154.** Land used for production of construction materials and ceramic products

1. Land used for production of construction materials and ceramic products includes land, land with surface water for material exploitation and land used as ground for processing and producing construction materials and ceramic products.

The use of land for exploiting raw materials for manufacturing bricks, tiles or ceramic products must take advantage of hilly land, uncultivated hillocks, abandoned land, land in riverbed or ponds or lakes that need to be dig deep, land along the rivers not being used for agricultural production, soil dikes no longer in use, or land from rehabilitation of rice fields.

2. Land or land with surface water used for exploiting raw materials shall be leased by the State to households or individuals that are permitted to exploit raw materials for the production of construction materials and ceramic products; to economic organizations, overseas Vietnamese or foreign-invested enterprises that are licensed to implement investment projects on exploitation of raw materials for production of construction materials and ceramic products.

Land used as ground for production of construction materials and ceramic products falls under the type of non-agricultural land for production and business purposes with the same land use regimes as for trading, services or non-agricultural production establishments as prescribed in Article 153 of this Law.

3. The use of land for production of construction materials and ceramic products must comply with the following provisions:

a/ Having a decision on land lease for the purpose of exploitation of raw materials, processing and production of construction materials and ceramic products issued by a competent state agency;

b/ Taking necessary measures to avoid causing damage to production activities, life and negative effects to the environment, water flows or transportation;

c/ Land users shall return the land in accordance with the progress of exploitation of raw materials and with the status of surface soil as stipulated in the land lease contract.

4. It is forbidden to use land of the following types to exploit raw materials for manufacturing bricks, tiles or ceramic products:

a/ Land with historical-cultural relics or scenic landscapes which have been ranked or placed under the protection of provincial-level People's Committees;

b/ Land within the safety corridor of construction facilities.

5. In the process of using land to exploit raw materials for manufacturing bricks, tiles or ceramic products, land users shall apply appropriate technology measures to exploit and use the land suitably and economically and shall take necessary measures to avoid causing damage to production activities and the life of adjacent land users and adverse effects to the environment.

**Article 155.** Land used for public purposes or for implementation of build-transfer (BT) and build-operate-transfer (BOT) projects

1. The use of land for public purposes must be in line with the land use master plans and plans, urban construction master plan and master plan for development of rural residential areas approved by competent state agencies.

2. For land used for public purposes, a detailed construction master plan must be formulated which clearly defines the functional areas used for public purposes involving non-commercial purpose and functional areas used for public purposes involving commercial purpose.

The land used for functional areas for non-commercial purposes shall be allocated by the State without land use levy under Article 54 of this Law. The land used for functional areas for commercial purpose shall be leased by the State under Article 56 of this Law.

3. The State shall allocate land to investors for management to implement BT projects and allocate or lease land to investors to implement BOT projects and other forms as prescribed by the investment law.

4. The Government shall detail this Article.

**Article 156.** Land used for civil airports and airfields

1. Land used for civil aviation operations at airports or airfields includes:

a/ Land used for construction of offices of state agencies which operate constantly at airports or airfields;

b/ Land used for construction of infrastructure in airports or airfields, including land for construction of runways, taxiways, aircraft parking areas, facilities to ensure flight operations, aviation security and airfield emergency, fences, construction-serving roads, internal roads and other auxiliary facilities areas of the airfields;

c/ Land used for construction of facilities for aviation services at airports or airfields;

d/ Land used for construction of facilities for non-aviation services.

2. Airport authorities shall be allocated land by provincial-level People's Committees in accordance with land use master plans and plans and master plan for airports and airfields which have been approved by competent state agencies. The certificate of land use rights and ownership of houses and other land-attached assets which are used for civil aviation operations at airports or airfields shall be granted to the airport authorities.

3. Based on land use master plans and plans approved by the state management agency in charge of civil aviation, airport authorities shall allocate land without land use levy or lease land in accordance with the following provisions:

a/ Allocation of land without land use levy for the land specified at Points a and b, Clause 1 of this Article;

b/ Lease of land with annual rental payment for the land specified in Points c and d, Clause 1 of this Article. The calculation and collection of land rental must comply with this Law.

4. Organizations and individuals using land at airports or airfields have the following rights and obligations:

a/ To use land for proper purposes; to refrain from exchanging, transferring, donating or leasing land use rights, or mortgaging or contributing as capital land use rights;

b/ To use the assets under their ownership which are attached to the leased land as collateral at credit institutions which are licensed to operate in Vietnam; to sell or lease assets and contribute as capital assets under their ownership which are attached to the leased land.

5. The Government shall detail this Article.

**Article 157.** Land used for construction of public facilities with safety corridors

1. Land used for construction of public facilities with safety corridors includes land used for construction of systems of transport, irrigation, dykes, water supply and drainage, waste treatment, power transmission, oil and gas pipelines and communication, and land within the safety corridors of these systems.

2. The use of land for public facilities with safety corridors must ensure the use of both the aerial and underground space, the combination of different facilities in the same land area in order to save land, and comply with relevant specialized laws concerning safety protection of facilities.

3. Legally recognized users of land within the safety corridors may continue using the land in accordance with the determined purposes and may not hinder the safety protection of the facilities.

In case the use of that land hinders the safety protection of the facilities, the owners of facilities and the land users shall take remedial measures. In case of failure to remedy the problem, the State will recover the land and pay compensation in accordance with law.

4. Agencies or organizations directly managing the facilities with safety corridors shall publicize information on boundary marks of the safety corridors and take the main responsibility for the protection of the facilities. In case the safety corridors of the facilities are illegally encroached, occupied or used, the agencies or organizations shall promptly report it to and request handling from the commune-level People's Committee of the locality where the safety corridors are located.

5. The People's Committees of all levels of the locality where the facilities with safety corridors are located shall coordinate with the agencies or organizations directly managing the facilities in disseminating laws and regulations on safety protection of facilities, publicizing boundary marks for the land use within the safety corridors and promptly deal with the illegal occupation, encroachment or use of the safety corridors.

6. The Government shall detail this Article.

**Article 158.** Land with historical-cultural relics and landscapes

1. Land with historical-cultural relics and landscapes which are ranked or under the protection of provincial-level People's Committees shall be strictly managed in accordance with the following provisions:

a/ Organizations, households, individuals and communities that directly manage land with historical-cultural relics and landscapes shall assume the main responsibility in the use of such land in accordance with the law on cultural heritage;

b/ Commune-level People's Committees shall assume the main responsibility for the management of land with historical-cultural relics and landscapes in their localities which are not specified at Point a of this Clause;

c/ If land with historical-cultural relics and landscapes is encroached, occupied or used for improper or illegal purposes, the chairperson of the commune-level People's Committee of the locality where such land is located shall detect, prevent and deal with these illegal activities promptly.

2. In special cases in which it is necessary to use land with historical-cultural relics and landscapes for other purposes, the change of the land use purpose must conform with the land use master plans and plans approved by competent state agencies and must be approved in writing by the state agencies which have the competence to decide on the ranking of those historical-cultural relics and landscapes.

**Article 159.** Land used by religious institutions

1. Land used by religious institutions includes land for pagodas, churches, oratories, sanctuaries, monasteries, religious schools, head offices of religious institutions and other religious institutions whose operation is licensed by the State.

2. Provincial-level People's Committees shall base themselves on the state policies on religions and land use master plans and plans approved by competent state agencies to determine the land areas to be allocated to the religious institutions.

**Article 160.** Land used for belief practices

1. Land for belief practices includes land for communal houses, temples, shrines, hermitages, ancestral worship houses and ancestral temples.

2. Land for belief practices must be used properly and in accordance with the land use master plans and plans, urban construction master plan and master plan for development of rural residential areas which have been approved by competent state agencies.

3. The construction or expansion of communal houses, temples, shrines, hermitages, ancestral worship houses and ancestral temples of the communities must be permitted by competent state agencies.

**Article 161.** Land used for construction of underground facilities

1. The use of land for construction of underground facilities must conform with the master plan for construction of underground facilities, land use plans and other related master plans which have been approved by competent state agencies.

2. Provincial-level People's Committees shall decide on land allocation and land lease for construction of underground facilities in accordance with the Government's regulations.

**Article 162.** Land used for cemeteries or graveyards

1. Land used for cemeteries or graveyards must be developed in concentrated areas in conformity with land use master plans; be located far from residential areas and convenient for burial services and visits, satisfying sanitation and environmental requirements and used economically.

2. Provincial-level People's Committees shall prescribe land quotas and management regimes for construction of graves, statues and monuments, and memorial stela in cemeteries or graveyards with economical use of land, and adopt policies to encourage the burial without using land.

3. It is forbidden to build cemeteries or graveyards which are not in conformity with land use master plan and plans which have been approved by competent state agencies.

**Article 163.** Land with rivers, streams, canals, springs and special-use water surface

1. Based on the determined main purpose, land with rivers, streams, canals, springs or special-use water surface must be used and managed in accordance with the following provisions:

a/ The State shall allocate land with special-use water surface to organizations for management in combination with use and exploitation of such land for non-agriculture purposes, or non-agriculture purposes in combination with aquaculture and exploitation of aquatic resources;

b/ The State shall lease out land with rivers, streams, canals or springs with annual rental payment to economic organizations, households or individuals for aquaculture;

c/ The State shall lease out land with rivers, streams, canals or springs with annual rental payment to overseas Vietnamese or foreign-invested enterprises for implementing their investment projects on aquaculture.

2. The exploitation and use of land with rivers, streams, canals, springs or special-use water surface must not affect the determined main land use purpose; and must also comply with the technical regulations of the related sector or field and the regulations on environmental and landscape protection, and may not obstruct natural flows and waterway transportation.

## Section 4

## UNUSED LAND

**Article 164.** Management of unused land

1. Commune-level People's Committees shall manage and protect unused land in their localities and register it in cadastral records.

2. Provincial-level People's Committees shall manage unused land on uninhabited islands.

3. The management of unused land must comply with the Government's regulations.

**Article 165.** Putting of unused land into use

1. Based on the land use master plans and plans approved by competent state agencies, the People's Committees of all levels shall make plans for investment, reclamation and improvement of the unused land in order to put it into use.

2. The State shall encourage investment by organizations, households and individuals to put unused land into use in accordance with the land use master plans and plans approved by competent state agencies.

3. Land areas planned for agricultural purposes shall be allocated with priority to local households or individuals directly engaged in agricultural, forestry, aquaculture or salt production that have not been allocated land or lack production land.

## Chapter XI

## RIGHTS AND OBLIGATIONS OF LAND USERS

## Section 1

## GENERAL PROVISIONS

**Article 166.** General rights of land users

1. To be granted the certificate of land use rights, houses and other land-related assets ownership.

2. To enjoy the results of the labor and investment on land.

3. To enjoy the benefits derived from facilities constructed by the State for protecting and improving agricultural land.

4. To receive the State's guidance and assistance in the improvement and fertilization of agricultural land.

5. To be protected by the State against others' infringements of their lawful rights and benefits related to land.

6. To receive compensation when land is recovered by the State in accordance with this Law.

7. To complain about, denounce or file lawsuits over violations of their lawful land use rights and other violations of the land law.

**Article 167.** The right to exchange, transfer, lease, sublease, inherit, donate, mortgage land use rights and contribute land use rights as capital

1. Land users may exercise the rights to exchange, transfer, lease, sublease, inherit, donate, mortgage land use rights and to contribute land use rights as capital in accordance with this Law.

2. A group of land users sharing land use rights have the following rights and obligations:

a/ A group of land users including households and individuals have the same rights and obligations as households and individuals in accordance with this Law.

In case one member of the group of land users is an economic organization, that group of land users have the same rights and obligations as economic organizations in accordance with this Law;

b/ For a group of land users sharing land use rights which can be split into portions for each member in the group, if every member wants to exercise his/her land use rights over such portion, they shall carry out the prescribed procedures to have the common land parcel split into different parcels of their own and apply for the certificates of land use rights and ownership of houses and other land-attached assets. Those members will then have the rights and obligations of land users in accordance with this Law.

In case land use rights of the group of land users can not be split into portions, the group shall authorize its representative to exercise the rights and perform the obligations of the group.

3. The notarization and certification of contracts and documents on the exercise of the rights of land users shall be conducted as follows:

a/ Contracts on transfer, donation, mortgage or contribution of land use rights as capital or the rights to use land and land-attached assets must be notarized or certified, except the case of real estate business prescribed at Point b of this Clause;

b/ Contracts on lease or sublease of land use rights or the rights to use land and land-attached assets, a contract on exchange of agricultural land use rights, a contract on transfer of land use rights or the rights to use land and land-attached assets in which one party or all parties involved in the transaction is/are a real estate business organization or organizations must be notarized or certified at the request of the parties;

c/ The documents on inheritance of land use rights or the rights to use land and land-attached assets must be notarized or certified under the civil law;

d/ The notarization shall be conducted at notarization-practicing organizations and the certification shall be conducted at commune-level People 's Committees.

**Article 168.** Time to exercise the rights of land users

1. Land users may exercise the rights to transfer, lease, sublease, donate and mortgage land use rights and to contribute land use rights as capital upon receipt of a certificate. In case of exchanging agricultural land use rights, land users may exercise their rights upon receipt of a decision on land allocation or land lease. In case of inheritance of land use rights, land users may exercise their rights upon receipt of a certificate or when they are eligible to be granted a certificate.

A land user who is allowed to delay the performance of, or owe, his/her financial obligations, may exercise his/her rights only after fulfilling all financial obligations.

2. The transfer of land use rights within an investment project on construction of houses for sale or lease or the transfer of land use rights together with the whole project within an investment project on construction of infrastructure for transfer or lease may only be conducted upon receipt of a certificate and satisfaction of all conditions prescribed in Article 194 of this Law.

**Article 169.** Acquisition of land use rights

1. Acquisition of land use rights is prescribed as follows:

a/ Households and individuals may acquire agricultural land use rights through exchange of land use rights as prescribed at Point b, Clause 1, Article 179 of this Law;

b/ Economic organizations, households and individuals may acquire land use rights through receipt of transfer of land use rights, except the cases prescribed in Article 191 of this Law. Overseas Vietnamese may acquire land use rights through receipt of transfer of land use rights in industrial parks, industrial clusters, export processing zones, hi-tech zones or economic zones. Foreign-invested enterprises may acquire investment capital which is the value of land use rights in accordance with the Government's regulations;

c/ Organizations, households, individuals and communities may acquire land use rights through receipt of donation of land use rights as prescribed at Point c, Clause 2, Article 174, and Point e, Clause 1, Article 179, of this Law, except the case prescribed in Article 191 of this Law;

d/ Organizations, households, individuals and communities may acquire land use rights through receipt of inherited land use rights;

dd/ Overseas Vietnamese who are eligible to own houses in Vietnam under the housing law may acquire land use rights through purchase, lease-purchase, inheritance or donation of houses associated with land use rights, or acquire land use rights in housing development projects;

e/ Economic organizations and joint ventures may acquire land use rights through receipt of contribution of land use rights as capital;

g/ Organizations, households, individuals, communities, religious institutions and overseas Vietnamese may acquire land use rights through land allocation by the State. Foreign-invested

enterprises may acquire land use rights through land allocation by the State to carry out investment projects on construction of houses for sale or for a combination of sale and lease;

h/ Economic organizations, self-financed public non-business organizations, households, individuals, overseas Vietnamese, foreign-invested enterprises and foreign organizations with diplomatic functions may acquire land use rights through land lease by the State;

i/ Organizations, households, individuals, communities and religious institutions may acquire land use rights through the State's recognition of the existing stable use of the land;

k/ Organizations, households, individuals, overseas Vietnamese and foreign-invested enterprises may acquire land use rights through the successful conciliation of land disputes which is certified by a competent People's Committee, the agreement in the mortgage contract to handle the debt, or the decision of a competent state agency on settlement of land disputes, complaints or denunciations, the decision or judgment of a People's Court, the decision on judgment enforcement of the judgment enforcement agency which has been executed, the document recognizing the result of the auction of land use rights in accordance with law, or the document on splitting land use rights for households or groups sharing land use rights in accordance with law;

l/ Communities and religious institutions may acquire land use rights through the successful conciliation of land disputes which is certified by a competent People's Committee, the decision of a competent state agency on settlement of land disputes, complaints or denunciations, the decision or judgment of a People's Court, or the judgment enforcement decision of the judgment enforcement agency which has been executed;

m/ The organization which is a newly established legal entity through splitting or merger under the decision of a competent agency or organization or according to a lawful document on splitting or merger of economic organizations may acquire land use rights from the organizations which are split or merged legal entities.

2. Households and individuals may acquire land use rights, regardless of place of residence, except the cases prescribed in Clauses 3 and 4, Article 191, and Article 192 of this Law.

**Article 170.** General obligations of land users

1. To use the land for proper purposes, in accordance with the land parcel boundaries, in compliance with regulations on use of the depth beneath and the space above the parcel while protecting underground public facilities and in accordance with other relevant laws.

2. To declare and register land; to complete all related procedures upon exchange, transfer, lease, sublease, inheritance, donation of land use rights; mortgage or contribution of land use rights as capital in accordance with law.

3. To fulfill financial obligations in accordance with law.
4. To take measures to protect the land.
5. To comply with regulations on environmental protection and not to cause damage to the lawful benefits of related land users.
6. To comply with the law on discovery of underground objects.
7. To return the land upon the State's decision on land recovery or at the expiry of the land use term without being permitted to extend the land use term.

**Article 171.** Limited use rights to the adjacent land parcel

1. The limited use rights to the adjacent land parcel include the right to access path, water supply and drainage, irrigation and drainage in cultivation, gas supply, power lines, communication and other reasonable needs on the adjacent land parcel.
2. The limited use rights to the adjacent land parcel shall be established in accordance with the civil law and must be registered under Article 95 of this Law.

**Article 172.** Right to choose method of land rental payment

1. Economic organizations, self-financed public non-business organizations, households, individuals, overseas Vietnamese and foreign-invested enterprises specified in Clause 1, Article 56 of this Law may choose between the form of annual rental payment or full one-off rental payment for the entire lease period.
2. Economic organizations, self-financed public non-business organizations, households, individuals, overseas Vietnamese and foreign-invested enterprises that are leasing land from the State with annual rental payment may change to the form of full one-off rental payment for the entire lease period. The specific land price used for determination of land rental must be re-determined in accordance with this Law at the time the decision on approval of the change to the form of full one-off rental payment for the entire lease period is issued.

Section 2

RIGHTS AND OBLIGATIONS OF ORGANIZATIONS USING LAND

**Article 173.** Rights and obligations of organizations that are allocated land without land use levy by the State

1. Organizations to which the land is allocated by the State without land use levy have the rights and obligations prescribed in Articles 166 and 170 of this Law.

2. Organizations to which the land is allocated by the State without land use levy may not exchange, transfer, donate, lease land use rights; mortgage, contribute land use rights as capital, and are not entitled to compensation upon land recovery by the State.

**Article 174.** Rights and obligations of organizations that are allocated land with land use levy by the State, or leased land with full one-off rental payment for the entire lease period

1. In addition to the rights and obligations prescribed in Clause 1 of this Article, economic organizations that are allocated land with land use levy or leased land with full one-off payment for the entire lease period by the State have the rights and obligations prescribed in Articles 166 and 170 of this Law.

2. Economic organizations that are allocated land with land use levy or leased land with full one-off rental payment for the entire lease period by the State have the following rights:

a/ To transfer land use rights and land-attached assets under their ownership;

b/ To lease land use rights and land-attached assets under their ownership in case of being allocated with land use levy by the State and to sublease land use rights and land-attached assets under their ownership in case of being leased land with full one-off rental payment for the entire lease period by the State;

c/ To donate land use rights to the State and communities for construction of facilities for common public interests of the communities and donate land-attached gratitude houses in accordance with law;

d/ To mortgage with land use rights and land-attached assets under their ownership at credit institutions which are licensed to operate in Vietnam;

dd/ To contribute land use rights and land-attached assets under their ownership as capital for cooperation in production and business with organizations, individuals, overseas Vietnamese or foreign-invested enterprises in accordance with law.

3. Self-financed public non-business organizations leasing land with full one-off rental payment for the entire lease period from the State and for which the paid rental does not originate from the state budget, have the rights and obligations prescribed in Clauses 1 and 2 of this Article. The exercise of the rights is subject to written approval by a competent state agency.

Self-financed public non-business organizations leasing land with full one-off rental payment for the entire lease period from the State and for which the paid rental originates from the state budget have the rights and obligations prescribed in Article 173 of this Law.

4. Organizations that are allocated land with land use levy or leased land with full one-off rental payment for the entire lease period by the State, but are entitled to exemption from or reduction of land use levy or land rental, have the following rights and obligations:

a/ If the organization is allocated or leased land by the State for implementation of projects on construction of and trading in houses and is entitled to exemption from or reduction of land use levy or land rental, it has the same rights and obligations as being not entitled to exemption from or reduction of land use levy or land rental;

b/ If the organization is allocated or leased land by the State for implementation of investment projects for profit purpose that is not prescribed at Point a of this Clause, and is allowed to pay a reduced land use levy or land rental, it has the same rights and obligations as being not entitled to exemption from or reduction of land use levy or land rental for the land type with similar land use purpose;

c/ If the organization is allocated or leased land by the State for implementation of investment projects for profit purpose that is not prescribed at Point a of this Clause, and is exempted from land use levy or land rental, it has the same rights and obligations as leasing land with annual rental payment for the land type with similar land use purpose.

**Article 175.** Rights and obligations of economic organizations and public non-business organizations using leased land with annual rental payment

1. Economic organizations or public non-business organizations using leased land from the State with annual rental payment have the following rights and obligations:

a/ General rights and obligations prescribed in Article 166 and Article 170 of this Law;

b/ To mortgage their assets attached to the leased land at credit institutions which are licensed to operate in Vietnam;

c/ To sell their assets attached to the leased land upon the satisfaction of the conditions prescribed in Article 189 of this Law. The buyer of these assets may continue to be leased land for determined land use purpose by the State;

d/ To contribute their assets attached to the leased land as capital. The recipient of these assets may continue to be leased land for determined land use purpose by the State;

dd/ To sublease land use rights with annual rental payment for the land with completely constructed infrastructure in case they are permitted to invest in the construction and commercial operation of infrastructure in industrial parks, industrial clusters, export processing zones, hi-tech zones or economic zones.

2. Economic organizations or public non-business organizations using land leased from organizations, households or individuals that are located outside industrial parks, industrial clusters or export processing zones have the rights and obligations prescribed in the civil law.

**Article 176.** Rights and obligations of economic organizations which acquire land use rights or change land use purposes

1. Economic organizations which acquire land use rights or change land use purpose have the general rights and obligations prescribed in Articles 166 and 170 of this Law.

2. Economic organizations acquiring the rights to use the land which originates from being allocated with land use levy or being leased with full one-off rental payment for the entire lease period by the State and the land use levy or land rental does not originate from the state budget have the rights and obligations prescribed in Clause 2, Article 174 of this Law.

3. Economic organizations acquiring the agricultural land use rights in accordance with law have the following rights and obligations:

a/ If they acquire land use rights without changing the land use purpose, they have the rights and obligations prescribed in Clause 2, Article 174 of this Law;

b/ If they acquire land use rights and change the land use purpose and are eligible for being allocated land with land use levy or leased land with full one-off rental payment for the entire lease period, they have the rights and obligations prescribed in Clause 2, Article 174 of this Law;

c/ If they acquire land use rights and change the land use purpose and are eligible for being leased land with annual rental payment, they have the rights and obligations prescribed in Article 175 of this Law.

4. The rights and obligations of economic organizations which are approved by competent state agencies to change the land use purpose from land allocation without land use levy to land allocation with land use levy or to land lease are prescribed as follows:

a/ If the economic organization is allocated land with land use levy or leased land with full one-off rental payment for the entire lease period, it has the rights and obligations prescribed in Clause 2, Article 174 of this Law;

b/ If the economic organization is leased land with annual rental payment, it has the rights and obligations prescribed in Clause 1, Article 175 of this Law.

**Article 177.** Rights and obligations of economic organizations receiving land use rights as contributed capital; land use rights of economic organizations upon dissolution or bankruptcy

1. Economic organizations receiving land use rights as contributed capital from households, individuals or other economic organizations have the rights and obligations prescribed in Article 174 of this Law in the following cases:

a/ The land of economic organizations which contribute capital is the land allocated with land use levy or leased with full one-off rental payment for the entire lease period by the State, or obtained through acquisition of land use rights;

b/ The land contributed by households or individuals is not the land leased by the State with annual rental payment.

2. Land use rights of cooperatives upon dissolution or bankruptcy are prescribed as follows:

a/ The land allocated without land use levy or allocated with land use levy or leased by the State or obtained through buying land-attached assets or obtained through lawful acquisition of land use rights from others for which the land use levy or land rental, or the paid amount for purchase of land-attached assets, or the fund for acquisition of land use rights originates from the state budget, shall be recovered by the State;

b/ The land allocated with land use levy, leased with full one-off rental payment for the entire lease period by the State, or obtained through buying land-attached assets or obtained through lawful acquisition of land use rights from others for which the land use levy or land rental, or the paid amount for purchase of land-attached assets, or the fund for acquisition of land use rights does not originate from the state budget; the land obtained through contribution of land use rights as capital from cooperative members, is not recovered by the State. Land use rights belong to the cooperative and shall be settled in accordance with the charter of the cooperative and the resolution of the members' meeting.

3. Land use rights of the economic organization which is an enterprise, upon its dissolution or bankruptcy, shall be settled in accordance with law.

**Article 178.** Rights and obligations of economic organizations that are leased land for construction of underground facilities

Economic organizations that are leased land by the State to invest in the construction of underground facilities have the following rights and obligations:

1. If the land is leased with full one-off rental payment for the entire lease period, they have the same rights and obligations as economic organizations prescribed in Clauses 1, 2 and 4, Article 174 of this Law;

2. If the land is leased with annual rental payment, they have the same rights and obligations as economic organizations prescribed in Clause 1, Article 175 of this Law.

## Section 3

RIGHTS AND OBLIGATIONS OF HOUSEHOLDS, INDIVIDUALS AND COMMUNITIES  
USING LAND**Article 179.** Rights and obligations of households and individuals using land

1. Households or individuals that use agricultural land allocated by the State within land use quotas, are allocated land with land use levy or leased with full one-off rental payment for the entire lease period, have land use rights recognized by the State, or obtain land through exchange, transfer, inheritance or donation, have the following rights and obligations:

a/ The general rights and obligations prescribed in Article 166 and Article 170 of this Law;

b/ To exchange agricultural land use rights with other households and individuals within the same commune, ward or township;

c/ To transfer land use rights in accordance with law;

d/ To lease land use rights to other organizations, households, individuals or overseas Vietnamese investing in Vietnam;

dd/ Individuals using land are entitled to bequeath their land use rights in accordance with their will or law.

If any member of a household to which land has been allocated by the State dies, land use rights of that member may be inherited in accordance with his/her will or law.

If the heir is an overseas Vietnamese who falls into the category defined in Clause 1, Article 186 of this Law, he/she is entitled to inherit land use rights. Otherwise, he/she is only entitled to receive the value of the inherited land use rights;

e/ To donate land use rights under Point c, Clause 2, Article 174 of this Law and to donate land use rights to households, individuals or overseas Vietnamese who fall into the category defined in Clause 1, Article 186 of this Law;

g/ To mortgage land use rights at credit institutions which are licensed to operate in Vietnam, or at other economic organizations or individuals in accordance with law;

h/ To contribute land use rights as capital to organizations, households, individuals or overseas Vietnamese for cooperation in production or business;

i/ In case the land is subject to recovery for project implementation, land users are entitled to invest on land by their own or to lease land use rights to the investor or to contribute land use rights as capital to the investor for project implementation in accordance with the Government's regulations.

2. Households or individuals that are leased land by the State with annual rental payment have the following rights and obligations:

- a/ The general rights and obligations prescribed in Article 166 and Article 170 of this Law;
- b/ To sell their assets attached to the leased land. The buyer of these assets may continue leasing land from the State for the determined purpose;
- c/ To inherit or donate their assets attached to the leased land. The heir or donee may continue leasing land from the State for the determined purpose;
- d/ To lease their assets attached to the leased land in accordance with the civil law;
- dd/ To mortgage their assets attached to the leased land at credit institutions which are licensed to operate in Vietnam, or at other economic organizations or individuals in accordance with law;
- e/ To contribute their assets attached to the leased land within the lease term as capital to organizations, households, individuals or overseas Vietnamese for cooperation in production or business. The recipient of such capital contribution may continue leasing land from the State for the determined purpose

3. Households or individuals that sublease land in industrial parks, industrial clusters or export processing zones have the following rights and obligations:

- a/ In case of leasing or subleasing land with full one-off rental payment for the entire lease period, they have the rights and obligations prescribed in Clause 1 of this Article;
- b/ In case of leasing or subleasing land with annual rental payment, they have the rights and obligations prescribed in Clause 2 of this Article.

4. Households or individuals that are allocated or leased land by the State and are entitled to exemption from or reductions of land use levy or land rental have the same rights and obligations as being not entitled to exemption from or reductions of land use levy or land rental.

5. Households or individuals that use leased land from organizations, households or individuals that do not fall into the case specified in Clause 3 of this Article, have the rights and obligations prescribed in the civil law,

**Article 180.** Rights and obligations of households and individuals changing land use purpose from land allocation without land use levy to land allocation with land use levy or land lease

1. Households or individuals that change land use purpose from land allocation without land use levy to land allocation with land use levy or land lease have the general rights and obligations prescribed in Articles 166 and 170 of this Law.

2. The rights and obligations of households or individuals using land of which the land use purpose is permitted to change from land allocation without land use levy to land allocation with land use levy or land lease by competent state agencies are prescribed as follows:

a/ In case of being allocated land with land use levy or leased land with full one-off rental payment for the entire lease period, these households or individuals have the rights and obligations prescribed in Clause 1, Article 179 of this Law;

b/ In case of being leased land with annual rental payment, these households or individuals have the rights and obligations prescribed in Clause 2, Article 179 of this Law.

**Article 181.** Rights and obligations of religious institutions and communities using land

1. Religious institutions and communities using land have the general rights and obligations prescribed in Articles 166 and 170 of this Law.

2. Religious institutions and communities using land may not exchange, transfer, lease or donate land use rights or mortgage or contribute as capital land use rights.

Section 4

RIGHTS AND OBLIGATIONS OF OVERSEAS VIETNAMESE, FOREIGN ORGANIZATIONS WITH DIPLOMATIC FUNCTIONS AND FOREIGN-INVESTED ENTERPRISES USING LAND

**Article 182.** Rights and obligations of foreign organizations with diplomatic functions

1. Foreign organizations with diplomatic functions using land in Vietnam have the following rights and obligations:

a/ The general rights and obligations prescribed in Articles 166 and 170 of this Law;

b/ To construct facilities on land in accordance with the licenses granted by competent state agencies of Vietnam;

c/ To own the facilities on the leased land constructed by their own within the lease term.

2. In case there are different provisions in treaties to which the Socialist Republic of Vietnam is a contracting party, foreign organizations with diplomatic functions have the rights and obligations as provided in those treaties.

**Article 183.** Rights and obligations of overseas Vietnamese and foreign-invested enterprises using land for implementation of investment projects in Vietnam

1. Overseas Vietnamese investing in Vietnam who are allocated land with land use levy by the Vietnamese State have the following rights and obligations:

a/ The general rights and obligations prescribed in Articles 166 and 170 of this Law;

b/ The rights and obligations prescribed in Clause 2, Article 174 of this Law.

2. Overseas Vietnamese and foreign-invested enterprises that are leased land with annual rental payment from the Vietnamese State have the following rights and obligations:

a/ The general rights and obligations prescribed in Articles 166 and 170 of this Law;

b/ To mortgage their assets attached to the leased land at credit institutions which are licensed to operate in Vietnam, and to contribute as capital their assets attached to the leased land. The recipient of the capital contribution may lease land from the State for the determined purpose for the remaining lease term;

c/ To sell their assets attached to the leased land upon fulfillment of the requirements prescribed in Article 189 of this Law;

d/ To lease houses if they are permitted to invest in the construction of and trading in houses.

3. Overseas Vietnamese or foreign-invested enterprises that lease land from the State with full one-off rental payment for the entire lease period and foreign-invested enterprises that are allocated land with land use levy to implement projects have the following rights and obligations:

a/ The general rights and obligations prescribed in Articles 166 and 170 of this Law;

b/ To transfer land use rights and land-attached assets under their ownership during the land use term;

c/ To lease and sublease land use rights and land-attached assets under their ownership within the land use term;

d/ To mortgage land use rights and land-attached assets under their ownership at credit institutions which are licensed to operate in Vietnam within the land use term;

dd/ To contribute land use rights and land-attached assets under their ownership as capital for cooperation in production and business within the land use term.

4. Foreign-invested enterprises using land formed through the purchase of shares of Vietnamese enterprises have the following rights and obligations:

a/ In case the foreign-invested enterprise formed through the purchase of shares of Vietnamese enterprises is a wholly foreign-invested enterprise or a foreign-invested enterprise in which the foreign investor is the dominant shareholder in accordance with the law on enterprises, that foreign-invested enterprise has the rights and obligations prescribed in Clauses 2 and 3 of this Article corresponding to the form of payment of land use levy or land rental;

b/ In case the foreign-invested enterprise formed through the purchase of shares of Vietnamese enterprises is an enterprise in which the Vietnamese party is the dominant shareholder in accordance with the law on enterprises, that foreign-invested enterprise has the rights and obligations as economic organizations as prescribed in Articles 174 and 175 of this Law.

5. For overseas Vietnamese or foreign-invested enterprises that use land to implement investment projects in Vietnam and are allocated or leased with full one-off rental payment for the entire lease period by the State and are exempted from land use levy or land rental or allowed to pay a reduced one, they have the rights and obligations prescribed in Clause 4, Article 174 of this Law.

**Article 184.** Rights and obligations of joint ventures using land through receipt of land use rights as capital and wholly foreign-invested enterprises which are converted from joint ventures

1. Joint ventures between foreign organizations, foreign individuals or overseas Vietnamese and economic organizations in which the economic organizations contribute land use rights as capital, have the rights and obligations prescribed in Article 174 of this Law in the following cases:

a/ The land of which land use rights are contributed by the economic organizations is land allocated with land use levy or leased with full one-off rental payment for the entire lease period by the State, and the paid amount of land use levy or land rental does not originate from the state budget;

b/ The land of which land use rights is contributed by the economic organizations through acquisition of land use rights is not the land leased by the State with annual rental payment, and the paid amount for the acquisition of land use rights does not originate from the state budget.

2. In case a state enterprise leases land from the State before July 1, 2004, and is entitled to contribute the value of land use rights as allocated from the state budget, not as a recorded debt, and does not have to pay land rental in accordance with the land law, as capital to establish a joint venture with a foreign organization or individual, that joint venture has the rights and obligations prescribed in Article 174 of this Law. The value of land use rights is considered the State's capital contributed to the joint venture.

3. In case an overseas Vietnamese who is allocated land with land use levy or leased land with full one-off rental payment for the entire lease period by the State contributes the value of land use rights in the capacity as a domestic economic organization as capital to a joint venture with a foreign organization or individual, that joint venture has the rights and obligations prescribed in Article 174 of this Law.

4. If a joint venture in which the Vietnamese party contributes land use rights as capital is converted into a wholly foreign-invested enterprise, it has the following rights and obligations:

a/ The rights and obligations prescribed in Clause 2, Article 183 of this Law, for the case in which the contributed land use rights are not used for implementing investment projects on houses for sale and the wholly foreign-invested enterprise is leased land by the State with annual rental payment under Clause 1, Article 56 of this Law;

b/ The rights and obligations prescribed in Clause 3, Article 183 of this Law, for the case in which the contributed land use rights are not used for implementing investment projects on houses for sale and the wholly foreign-invested enterprise is leased land by the State with full one-off rental payment for the entire lease period under Clause 1, Article 56 of this Law;

c/ The rights and obligations prescribed in Clause 3, Article 183 of this Law, for the case in which the contributed land use rights are used for implementing projects on houses for sale and the wholly foreign-invested enterprise is allocated land by the State under Clause 3, Article 55 of this Law.

**Article 185.** Rights and obligations of overseas Vietnamese and foreign-invested enterprises using land in industrial parks, industrial clusters, export processing zones, hi-tech zones or economic zones

1. Overseas Vietnamese may acquire land use rights in industrial parks, industrial clusters, export processing zones, hi-tech zones or economic zones, and have the rights and obligations prescribed in Article 174 of this Law.

2. Overseas Vietnamese or foreign-invested enterprises leasing or subleasing land in industrial parks, industrial clusters, export processing zones, hi-tech zones or economic zones have the following rights and obligations:

a/ In case of making full one-off rental payment for the land lease or sublease for the whole lease or sublease period, they have the rights and obligations prescribed in Article 174 of this Law;

b/ In case of making annual rental payment, they have the rights and obligations prescribed in Article 175 of this Law.

**Article 186.** Rights and obligations related to land use of overseas Vietnamese who are eligible to own houses in Vietnam; foreign individuals or overseas Vietnamese who are ineligible to buy houses associated with land use rights in Vietnam

1. Overseas Vietnamese who are entitled to own houses in accordance with the housing law are entitled to own houses associated with residential land use rights in Vietnam.

2. Overseas Vietnamese who are entitled to own houses associated with residential land use rights in Vietnam have the following rights and obligations:

a/ The general rights and obligations prescribed in Article 166 and Article 170 of this Law;

b/ To transfer land use rights when selling, donating, bequeathing, exchanging houses with domestic organizations or individuals, overseas Vietnamese who are eligible to own houses for their own living; to donate houses associated with residential land use rights to the State, communities or donate houses of gratitude as prescribed at Point c, Clause 2, Article 174 of this Law. In case of donating or bequeathing to people who are ineligible to own houses in Vietnam, such people may only to receive the value of houses associated with residential land use rights;

c/ To mortgage houses associated with residential land use rights at credit institutions which are licensed to operate in Vietnam;

d/ To lease, and authorize the management of, houses when unused.

3. If all the heirs of land use rights and ownership of houses and other land-attached assets are foreigners or overseas Vietnamese who are ineligible to own houses in Vietnam as prescribed in Clause 1 of this Article, the heirs shall not be granted the certificate of land use rights and ownership of houses and other land-attached assets but may transfer or donate the inherited land use rights in accordance with the following provisions:

a/ In case of transferring land use rights, the heirs may act as the transferor in the contract of transfer of land use rights;

b/ In case of donating land use rights, the people to receive land use rights must be the subjects specified at Point e, Clause 1, Article 179 of this Law and be eligible under the housing law, in which the heir may act as the donor in the contract or written document on donation commitment;

c/ In case of not making the transfer or donation of land use rights, the heir or his/her representative with a lawful document on authorization, shall submit a dossier on the inheritance to the land registration agency in order to update on the cadastral book.

4. In case there is an overseas Vietnamese who is ineligible to buy a house associated with residential land use rights in Vietnam among the heirs while others are eligible to inherit land use rights in accordance with the land law and the inherited land use rights have not been divided, the heirs or their representatives with lawful documents on authorization, shall submit dossiers on the inheritance to the land registration agency in order to update on the cadastral book.

Once the inheritance is made, the certificates of land use rights and ownership of houses and other land-attached assets are granted to those who are eligible for being granted such certificate.

Regarding the overseas Vietnamese who is ineligible to buy houses associated with residential land use rights in Vietnam, his/her inherited part shall be dealt with in accordance with Clause 3 of this Article.

5. In the cases specified at Point c, Clause 3, and in Clause 4 of this Article, the heirs may authorize in writing other persons to take care or use land temporarily and perform the obligations in accordance with the land law and other relevant laws.

**Article 187.** Rights and obligations of overseas Vietnamese and foreign-invested enterprises leasing land for construction of underground facilities

Overseas Vietnamese or foreign-invested enterprises investing in the construction of underground facilities and leasing land from the State have the following rights and obligations:

1. In case of leasing land with full one-off rental payment for the entire lease period, they have the rights and obligations prescribed in Clauses 3 and 5, Article 183 of this Law.

2. In case of leasing land with annual rental payment, they have the rights and obligations prescribed in Clauses 2 and 5, Article 183 of this Law.

#### Section 5

#### CONDITIONS FOR THE EXERCISE OF RIGHTS OF LAND USERS

**Article 188.** Conditions for the exercise of the rights to exchange, transfer, lease, sublease, inherit, donate or mortgage land use rights; to contribute land use rights as capital

1. Land users may exercise the rights to exchange, transfer, lease, sublease, inherit, donate or mortgage land use rights and contribute land use rights as capital when meeting the following conditions:

a/ Having the certificate, except the case prescribed in Clause 3, Article 186 and the case of receiving inheritance prescribed in Clause 1, Article 168 of this Law;

b/ The land is dispute-free;

c/ The land use rights are not distrained to secure judgment enforcement;

d/ Within the land use term.

2. In addition to the conditions specified in Clause 1 of this Article, when exercising the rights to exchange, transfer, lease, sublease, inherit, donate or mortgage land use rights and contribute land use rights as capital, land users must also be eligible under Articles 189, 190, 191, 192, 193 and 194 of this Law.

3. The exchange, transfer, lease, sublease, inheritance, donation or mortgage of land use rights or contribution of land use rights as capital must be registered with the land registration agency and will take effect from the time of registration in the cadastral book.

**Article 189.** Conditions for selling and buying assets attached to land which is leased by the State with annual rental payment

1. Economic organizations, households, individuals, overseas Vietnamese and foreign-invested enterprises may sell assets attached to leased land when fully meeting the following conditions:

a/ The assets attached to leased land are legally established in accordance with law;

b/ The construction has been completed in accordance with the detailed construction master plan and approved investment project.

2. The buyer of assets attached to leased land must ensure the following conditions:

a/ Having financial capacity to implement investment projects;

b/ Having business lines relevant to investment projects;

c/ Not violating the land law when being allocated or leased land from the State to implement the previous projects.

3. The buyers of assets may continue leasing land from the State within the remaining land use term according to specific land price and for the purposes determined in the project documents.

4. The case of leasing land to implement projects on construction and commercial operation of infrastructure is prescribed in Article 194 of this Law.

**Article 190.** Conditions for exchanging agricultural land use rights

Households and individuals using agricultural land which is allocated by the State or obtained through exchange, acquisition of land use rights, inheritance, donation of lawful land use rights from other land users, may only exchange these agricultural land use rights to other households and individuals in the same commune, ward or township to facilitate agricultural production, and do not have to pay income tax incurred from the exchange of land use rights and registration fee.

**Article 191.** Cases in which acquisition or donation of land use rights is not allowed

1. Organizations, households, individuals, communities, religious institutions, overseas Vietnamese and foreign-invested enterprises may not receive transfer or donation of land use rights in case the transfer or donation of land use rights is prohibited by law.

2. Economic organizations may not acquire the rights to use paddy land, protection forest land or special-use forest land from households or individuals, except the case of change in land use purpose in accordance with the land use master plan and plans approved by competent state agencies.

3. Households and individuals not directly engaged in agricultural production may not receive the transfer or donation of paddy land use rights.

4. Households and individuals may not receive the transfer or donation of residential land use rights and agricultural land use rights with regard to the land located in the areas of protection forests, strictly protected zones and ecological rehabilitation zones in special-use forests if they do not live in such protection forests or special-use forests.

**Article 192.** Cases in which households and individuals may transfer or donate land use rights under certain conditions

1. Households and individuals living in the strictly protected zones or ecological rehabilitation zones in special-use forests and are not able to move out of these areas may only transfer or donate the rights to use residential land or forest land in combination with agricultural, forestry and aquaculture production purposes to households and individuals living in these areas.

2. Households and individuals that are allocated residential land or agricultural land in protection forests by the State may only transfer or donate the rights to use residential or agricultural land to households and individuals living in these areas.

3. Households and individuals of ethnic minorities using allocated land under the support policies of the State may transfer or donate land use rights after 10 years from the date of issuance of the decisions on land allocation in accordance with the Government's regulations.

**Article 193.** Conditions for receiving the transfer or contribution as capital of, or leasing, agricultural land use rights to carry out investment projects on non-agricultural production and business

Economic organizations, households and individuals may receive the transfer or contribution as capital of, or lease, agricultural land use rights to carry out investment projects on non-agricultural production and business when fully meeting the following conditions:

1. Economic organizations may receive the transfer or contribution as capital of, or lease, agricultural land use rights to carry out investment projects upon receiving written approval from a competent state agency.

2. The use purpose for the land area of which land use rights are acquired, contributed as capital or leased must be consistent with the land use master plan and plans approved by competent state agencies.

3. For land used exclusively for wet rice cultivation, the provisions of Clause 3, Article 134 of this Law shall apply.

**Article 194.** Conditions for transferring land use rights in implementation of investment projects on construction of and trading in houses; investment projects on construction of infrastructure for transfer of lease

1. The transfer of land use rights in investment projects on construction of and trading in houses must be conducted in accordance with the following provisions:

a/ The provincial-level People's Committee may, based on the Government's regulations on conditions and types of urban centers, permit investors of projects on construction of and trading in houses to transfer land use rights in the form of dividing land parcels upon completion of the infrastructure construction and fulfillment of financial obligations related to land;

b/ For investment projects on construction of and trading in houses, the transfer of land use rights together with the transfer of the whole or part of the project may be conducted upon receipt of the certificate. Those who acquire land use rights shall implement investment projects in accordance with the approved schedule.

2. The transfer of land use rights together with the transfer of the whole project on construction of infrastructure for transfer or lease must meet the following conditions:

a/ Satisfaction of all conditions specified in Clause 1, Article 188 of this Law;

b/ The technical infrastructure facilities must be completely constructed in accordance with the schedule stated in the approved project document.

3. The Government shall detail this Article.

## Chapter XII

### LAND-RELATED ADMINISTRATIVE PROCEDURES

**Article 195.** Land-related administrative procedures

1. Land-related administrative procedures include:

a/ Procedures for land recovery, land allocation, land lease, and change of land use purpose;

b/ Procedures for registration of land and land-attached assets and grant of the certificate of land use rights and ownership of houses and other land-attached assets;

c/ Procedures for renewal, re-grant, correction or withdrawal of the certificate, the certificate of house ownership or the certificate of construction work ownership;

d/ Procedures for exercising the rights of land users;

dd/ Procedures for enforcing decisions on compulsory inventory and enforcing the implementation of land recovery decisions;

e/ Procedures for conciliation and settlement of land disputes at administrative agencies;

g/ Procedures for sanction of administrative violations in the field of land.

2. The Government shall detail this Article.

**Article 196.** Publicity of land-related administrative procedures

1. Contents of administrative procedures that need to be publicized include:

a/ State agencies which have competence to receive dossiers and return results;

b/ Time for handling each of the administrative procedures;

c/ Documents in the dossier for each of the administrative procedures;

d/ The process and responsibilities for settling each of the administrative procedures;

dd/ Financial obligations, charges and fees payable for each of the administrative procedures.

2. The publicity of contents prescribed in Clause 1 of this Article must be conducted by regular posting at the offices of the agencies where the dossiers are received and the results are returned; and posting on the website of the national database on administrative procedures and websites of provincial and district-level People's Committees.

**Article 197.** Implementation of land-related administrative procedures

1. Ministries and agencies shall, according to their functions, tasks and powers, coordinate in the direction, guidance and examination of the implementation of land-related administrative procedures to ensure consistency of the land-related administrative procedures with other related administrative procedures.

2. People's Committees at all levels shall direct, guide, examine and implement administrative procedures in the localities and issue regulations on the coordination among relevant local agencies in settling land-related administrative procedures and other related administrative procedures.

3. Agencies having competence to settle land-related administrative procedures shall follow the prescribed order and procedures.

4. Land users and other related people shall fully follow the land-related administrative order and procedures and fulfill financial obligations as prescribed by law.

## Chapter XIII

SUPERVISION, INSPECTION, SETTLEMENT OF DISPUTES, COMPLAINTS,  
DENUNCIATIONS AND HANDLING OF VIOLATIONS OF LAND LAW

## Section 1

SUPERVISION, MONITORING AND EVALUATION OF  
LAND MANAGEMENT AND USE

**Article 198.** Oversight by the National Assembly, People's Councils at all levels, Vietnam Fatherland Front and its member organizations of the land management and use

1. The National Assembly and People's Councils at all levels shall exercise the power to oversee the land management and use in accordance with the Constitution and the Law on Oversight Activities of the National Assembly and the Law on Organization of the People's Councils and People's Committees.

2. The Vietnam Fatherland Front and its member organizations shall exercise the power to supervise the land management and use in accordance with the Constitution, the Law on the Vietnam Fatherland Front and other relevant laws.

**Article 199.** Supervision by citizens of land management and use

1. Citizen have the right to supervise and report on wrongdoings and violations in the land management and use by themselves or through representative organizations.

2. The supervision and reporting must ensure objectivity, honesty and lawfulness. Citizens may not abuse the right to supervise and report to lodge complaints and denunciations illegally or negatively affect social order. Citizens shall take responsibility before law for the accuracy of the information they have reported.

3. The contents of supervision of the land management and use by citizens include:

a/ Formulation, adjustment, publicization and implementation of land use master plans and plans;

b/ Land allocation, land lease, and permission for change of land use purpose;

c/ Land recovery, compensation, support and resettlement;

d/ Registration of land and land-attached assets, and grant of the certificate of land use rights and ownership of houses and other land-attached assets;

dd/ Collection of, exemption from, or reduction of, land use levy, land rental and land-related taxes, and land valuation;

e/ Implementation of administrative procedures related to the rights and obligations of land users.

4. The methods of supervision of the land management and use by citizens include:

a/ Directly exercising the right to supervision through reporting and sending petitions to agencies or persons with settling competence;

b/ Sending petitions to the lawful representative organizations for these organizations to conduct the supervision.

5. Responsibilities of competent state agencies upon receiving opinions from citizens and representative organizations:

a/ To examine, settle and respond to the opinions in writing according to their competence;

b/ To forward the petitions to competent state agencies for settlement, for cases falling beyond their competence;

c/ To notify the results to the reporting organizations or individuals.

**Article 200.** System of monitoring and evaluation of the land management and use

1. The system of monitoring and evaluation of the land management and use shall be used to evaluate the implementation of the land law, the efficiency of land management and use, and the impacts of land policy and law on the economy, society and environment on both national and local scales.

2. The system of monitoring and evaluation of the land management and use shall be developed based on the land information system and the collection of other information during the implementation of the land law throughout the country, including:

a/ Information on land use master plans and plans, land statistics and inventories, land prices and land taxes; land allocation, land lease, land recovery, permission for change of land use purpose, grant of the certificate of land use rights and ownership of houses and other land-attached assets; implementation of investment projects using land; observance of the land law; examination, inspection and handling of land-related violations of administrative agencies;

b/ Information on the settlement of disputes and lawsuits over land;

c/ Information from the supervision process of the land law implementation of the National Assembly, People's Councils at all levels, Vietnam Fatherland Front and its member organizations, other related organizations and people;

d/ Necessary information which needs to be collected by technology solutions including aerial photography from satellites, aircraft and other flying craft, field surveys and other technical equipment;

dd/ Necessary information from the sociological survey data on land management and use which is obtained from different researches, investigations, surveys and performance of additional sociological investigations when necessary.

3. The agency in charge of natural resources and environment shall manage the monitoring and evaluation system, conduct evaluation of the land law implementation, the efficiency in the land management and use and the impacts of land policy and law on the economy, society and environment on both national and local levels. The evaluation results shall be sent periodically to the Government and the National Assembly.

4. The state agency which archives the information specified in Clause 2 of this Article shall provide information sufficiently, accurately and timely to the agency managing the monitoring and evaluation system. The agency in charge of natural resources and environment shall update the information in the monitoring and evaluation system into the land information system.

5. The monitoring and evaluation system on the land management and use shall be made public for information search by organizations and individuals in accordance with law.

6. The Government shall prescribe in detail the creation and operation of the monitoring and evaluation system on land management and use.

## Section 2

### INSPECTION, SETTLEMENT OF DISPUTES, COMPLAINTS AND DENUNCIATIONS AND TREATMENT OF VIOLATIONS OF LAND LAW

#### **Article 201.** Specialized land inspection

1. Specialized land inspection means inspection activities carried out by competent state agencies toward agencies, organizations and individuals regarding their observance of the land law and professional, technical and management regulations in the field of land.

The Ministry of Natural Resources and Environment shall direct and organize the implementation of specialized land inspection throughout the country.

Local land administration agencies shall organize specialized land inspections in localities.

2. The specialized land inspection includes the following contents:

a/ Inspection of the observance of the land law by People's Committees at all levels;

b/ Inspection of the observance of the land law by land users and other related organizations and individuals;

c/ Inspection of the observance of professional and technical regulations in the field of land.

3. Specialized land inspectors have the following tasks:

a/ To inspect the observance of the land law by state agencies and land users in land management and use;

b/ To detect, prevent and handle violations of the land law according to their competence or propose the settlement of violations to competent state agencies.

4. The powers and obligations of leaders of inspection teams, inspectors, civil servants performing specialized land inspection, and the procedures for specialized land inspection comply with the inspection law.

**Article 202.** Conciliation of land disputes

1. The State shall encourage the disputing parties to conciliate themselves or have their land disputes settled through grassroots conciliation.

2. In case the self-reconciliation fails, the parties may send a petition to the commune-level People's Committee of the locality where the disputed land is located, for reconciliation.

3. Commune-level People's Committee chairpersons shall organize conciliation of land disputes in their localities. In the process of conciliation, they shall coordinate with the commune-level Vietnam Fatherland Front Committee and its member organizations and other social organizations. The conciliation procedures carried out at the commune-level People's Committees shall be completed within 45 days from the date the commune-level People's Committees receive a petition for settlement of land dispute.

4. The conciliation process must be recorded in a minutes with signatures of all parties and certified by the commune-level People's Committee on the result, either a successful or unsuccessful conciliation. The conciliation minutes shall then be sent to the involved parties and archived at the commune-level People's Committee concerned.

5. In case of successful conciliation which results in changes in the boundaries or land users, the commune-level People's Committee shall send the conciliation minutes to the district-level Division of Natural Resources and Environment, for land disputes among households, individuals and communities, or to the provincial-level Department of Natural Resources and Environment, for other land disputes.

The district-level Division of Natural Resources and Environment or the provincial-level Department of Natural Resources and Environment shall submit the case to the People's Committee of the same level for decision on recognizing the change in boundaries or renewing the certificate of land use rights, houses and other land-related assets ownership.

**Article 203.** Competence to settle land disputes

If the conciliation at a commune-level People's Committee fails, a land dispute shall be settled as follows:

1. The land dispute in which the concerned party possesses a certificate or any of the papers prescribed in Article 100 of this Law and the dispute over land-attached assets shall be settled by the People's Court;

2. For the land dispute in which the concerned party does not possess a certificate or any of the papers prescribed in Article 100 of this Law, the parties may choose between the following two options of settlement:

a/ Filing a written request for dispute settlement with a competent People's Committee as prescribed in Clause 3 of this Article;

b/ Filing a lawsuit with a competent People's Court in accordance with the law on civil procedures;

3. In case the concerned parties choose the option of settlement at a competent People's Committee, the settlement is as follows:

a/ In case the dispute occurs among households, individuals and communities, the chairperson of the district-level People Committee is responsible for the settlement. If the concerned parties disagree with the settlement decision, they are entitled to lodge a complaint with the chairperson of the provincial-level People's Committee or to file a lawsuit at a People's Court in accordance with the law on administrative procedures;

b/ In case the dispute involves one party being an organization, a religious institution, an overseas Vietnamese or a foreign-invested enterprise, the chairperson of the provincial-level People's Committee is responsible for the settlement. If the concerned parties disagree with the settlement decision, they are entitled to lodge a complaint with the Minister of Natural Resources and Environment or to file a lawsuit with a People's Court in accordance with the law on administrative procedures;

4. The person having competence to settle the land dispute as prescribed in Clause 3 of this Article shall issue a settlement decision. The legally effective decision on dispute settlement must be strictly complied by the concerned parties. If the parties fail to comply, the decision shall be enforced.

**Article 204.** Settlement of complaints and lawsuits related to land

1. Land users and people who have land use-related rights and obligations are entitled to lodge complaints about, or file lawsuits against, administrative decisions or administrative acts in land management.

2. The order and procedures for settling complaints about administrative decisions or administrative acts related to land comply with the law on complaints. The order and procedures for settling lawsuits against administrative decisions or administrative acts related to land comply with the law on administrative procedures.

**Article 205.** Settlement of denunciations about land

1. Individuals are entitled to denounce violations of the law on land management and use.

2. The settlement of denunciations about violations of the law on land management and use shall comply with the law on denunciations.

**Article 206.** Handling of violators of land law

1. Violators of the land law shall, depending on the nature and seriousness of their violations, be administratively sanctioned or examined for penal liability in accordance with law.

2. Those who commit violations of the land law which cause damage to the State or other people, shall be handled in accordance with law and pay compensation for the actual damage caused to the State or to other people.

**Article 207.** Handling of persons who commit violations of land law while on duty in the field of land

1. Those who commit violations of the land law while on duty shall, depending on the nature and seriousness of their violations, be disciplined or examined for penal liability in accordance with law for the following violations:

a/ Abusing positions and powers to commit illegal acts in land allocation, land lease, change of land use purpose, land recovery, compensation, support, resettlement, transfer of land use rights, implementation of land use master plans and plans, determination of financial obligations related to land, management of cadastral records, or issuance of administrative decisions in land management;

b/ Lacking responsibility in management which lets violations of land law occur, or committing other acts which cause damage to land resources or the rights and obligations of land users;

c/ Violating regulations on consultation, publicization and publicity of information; violating regulations on administrative order and procedures; violating reporting regulations in land management.

2. The Government shall detail this Article.

**Article 208.** Responsibilities of chairpersons of People's Committees at all levels in detecting, preventing and handling violations of law on land management and use

1. Chairpersons of the People's Committees at all levels shall detect, prevent and promptly handle violations of the law on land management and use in localities.

2. Chairpersons of commune-level People's Committees shall detect, prevent and promptly handle the illegal transfer of land use rights and change of land use purpose; detect, prevent and promptly handle the construction of facilities on encroached land, occupied land or the land used for improper purposes in their localities, and force the violators to restore the land to the conditions as before the violation was committed.

**Article 209.** Receipt and handling of responsibility of heads, civil servants or public employees working at land administration agencies at all levels and commune-level cadastral civil servants who violate the order of carrying out administrative procedures

1. Organizations or individuals that detect civil servants or public employees of the land administration agencies at all levels or commune-level cadastral civil servants violating regulations on the order and procedures and terms for land allocation, land lease, permission for change of land use purpose, land recovery, performance of procedures for exercising the rights of land users, or grant of the certificate, may send a petition to the following competent persons:

a/ For violations committed by commune-level cadastral civil servants, the petition shall be sent to the chairperson of the commune-level People's Committee;

b/ For violations committed by civil servants or public employees working at a land administration agency, the petition shall be sent to the director of the land administration agency concerned;

c/ For violations committed by the director of a land administration agency, the petition shall be sent to the chairperson of the People's Committee of the same level.

2. Within 30 days after receiving a petition, the chairperson of the People's Committee or the head of the land administration agency prescribed in Clause 1 of this Article shall consider and settle the petition and notify the result to the petitioner.

#### Chapter XIV

#### IMPLEMENTATION PROVISIONS

**Article 210.** Transitional provisions

1. For those that leased land from the State before July 1, 2004, and have paid land rental for the entire lease period or prepaid land rental for many years while the land lease period for

which the land rental is already paid remains 5 years or more, economic organizations have the rights and obligations prescribed in Article 174 of this Law, while households and individuals have the rights and obligations prescribed in Clause 1, Article 179 of this Law.

2. If an investor leasing land from the State with annual rental payment for construction and commercial operation of infrastructure of industrial parks, industrial clusters or export processing zones has subleased out the land together with infrastructure in the form of full one-off rental payment for the entire lease period prior to the effective date of this Law, the investor shall pay the land rental to the State in accordance with the Government's regulations. Those who sublease the land have the same rights and obligations as leasing land with full one-off rental payment for the entire lease period from the State after the investor has paid the whole land rental to the state budget.

3. Households and individuals that are directly engaged in agricultural production and have been allocated or recognized land use rights or acquired agricultural land use rights prior to the effective date of this Law, if still having demand at the expiry of the land use term, may use the land within the term prescribed in Clause 1, Article 126 of this Law. The land use term shall be counted from October 15, 2013, for cases in which the land use term expires on October 15, 2013, in accordance with the 2003 Land Law; and from the expiry date of the land allocation term, for cases in which the land use term expires after October 15, 2013.

4. For households and individuals that use agricultural land prior to the effective date of this Law and have not been granted the certificate, the land use term upon the grant of the Certificate shall be counted from the effective date of this Law.

5. For the land allocated by the State to economic organizations to create capital for infrastructure construction within a project, or the land obtained through the winning at auctions of land use rights before July 1, 2004, and used by the economic organizations with no determined land use term, the land use term will comply with the Government's regulations.

6. The provisions of this Law do not apply to the projects or facilities for which the compensation, support and resettlement have been conducted prior to the effective date of this Law. In case the plan for compensation, support and resettlement for the project or facilities has been approved or the compensation, support and resettlement are being conducted in accordance with the plan approved before the effective date of this Law, the compensation, support and resettlement must still be conducted in accordance with the approved plan, not in accordance with this Law.

7. Regarding cases of land allocation, land lease, change of land use purpose or recognition of land use rights which have been implemented before the effective date of this Law and the land users have not fulfilled their financial obligations, the time for calculation of land use levy or land rental shall comply with the Government's regulations.

8. Households and individuals using agricultural land areas allocated in excess of the land use quotas before the effective date of this Law, shall change to lease land in accordance with this Law.

9. The Government shall prescribe the handling of specific cases in which the land is used in contravention of the land law and the cases guaranteed by land use rights before the effective date of this Law.

**Article 211. Effect**

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

Land Law No.13/2003/QH11 and Resolution No. 49/2013/QH13 of June 21, 2013, of the National Assembly on extension of the land use term for annual crops, aquaculture or salt production of households and individuals cease to be effective on the effective date of this Law.

2. Article 57 of Law No. 66/2006/QH11 on Vietnam Civil Aviation, Article 2 of Law No. 34/2009/QH12 Amending and Supplementing Article 126 of the Law on Housing and Article 121 of the Land Law, Article 4 of Law No. 38/2009/QH12 Amending and Supplementing a Number of Articles of Laws Concerning Capital Construction Investment, Article 264 of Law No. 64/2010/QH12 on Administrative Procedures, and the provisions on land requisition in Law No. 15/2008/QH12 on Compulsory Purchase and Requisition of Property, are hereby annulled.

**Article 212. Detailing provision**

The Government shall detail the articles and clauses as assigned in this Law.

*This Law was passed on November 29, 2013, by the XIII<sup>th</sup> National Assembly of the Socialist Republic of Vietnam at its 6<sup>th</sup> session.-*

*Chairman of the National Assembly*  
NGUYEN SINH HUNG

## SUMMARY

*Công Báo Nos 1013-1014 (31/12/2013)*

### LEGAL DOCUMENTS

#### THE NATIONAL ASSEMBLY

**Resolution No. 66/2013/QH13 of November 29, 2013, adjusting a number of contents and solutions to effectively implement the policy on construction of Ho Chi Minh Road under Resolution No. 38/2004/QH11**

**Resolution No. 68/2013/QH13 of November 29, 2013, intensifying the implementation of policies and laws on health insurance toward universal health insurance**

**Resolution No. 69/2013/QH13 of November 29, 2013, on questions and answers at the 6<sup>th</sup> session of the XIII<sup>th</sup> National Assembly**

#### THE MINISTRY OF TRANSPORT

**Circular No. 49/2013/TT-BGTVT of December 6, 2013, announcing seaport waters of Ha Tinh province and areas under the management of the Maritime Administration of Ha Tinh province**

This Circular takes effect on March 1, 2014, and annuls Decision No. 11/2007/QD-BGTVT of February 28, 2007.-

**Circular No. 50/2013/TT-BGTVT of December 6, 2013, amending and supplementing Article 2 of the Minister of Transport's Circular No. 31/2010/TT-BGTVT of October 1, 2010, announcing seaport waters of Hai Phong city and areas under the management of the Maritime Administration of Hai Phong city**

This Circular takes effect on February 1, 2014.-

THE MINISTRY OF FINANCE

**Circular No. 176/2013/TT-BTC of November 29, 2013, guiding the exemption from land rents and land use levies serving main production and business activities of the Vietnam Post**

This Circular takes effect from January 15, 2014, through December 31, 2018.-

**Circular No. 178/2013/TT-BTC of December 2, 2013, detailing and guiding a number of articles of the Government's Decree No. 10/2013/ND-CP of January 11, 2013, on the management, use and operation of road transport infrastructure assets**

This Circular takes effect on February 1, 2014.-

THE MINISTRY OF CULTURE, SPORTS AND TOURISM

**Circular No. 09/2013/TT-BVHTTDL of November 26, 2013, prescribing the operation conditions of sports facilities organizing Karate activities**

This Circular takes effect on February 1, 2014.-

**OTHER DOCUMENTS**

CONSOLIDATED DOCUMENTS

**Document No. 08/2013/VBHN-NHNN of December 13, 2013, on consolidation of the Circulars guiding foreign exchange transactions between the State Bank of Vietnam and credit institutions and foreign bank branches**

This Document consolidates Circular No. 02/2012/TT-NHNN of February 27, 2012, of the Governor of the State Bank of Vietnam, guiding foreign exchange transactions between the State Bank of Vietnam and credit institutions and foreign bank branches, and Circular No. 27/2013/TT-NHNN of December 5, 2013, amending and supplementing a number of articles of Circular No. 02/2012/TT-NHNN of February 27, 2012.-

**Công Báo Nos 01-02 (01/01/2014)**

**LEGAL DOCUMENTS**

THE COMMITTEE FOR ETHNIC AFFAIRS - THE MINISTRY OF AGRICULTURE AND  
RURAL DEVELOPMENT - THE MINISTRY OF PLANNING AND INVESTMENT - THE  
MINISTRY OF FINANCE - THE MINISTRY OF CONSTRUCTION

**Joint Circular No. 05/2013/TTLT-UBDT-NNPTNT-KHDT-TC-XD of November 18, 2013, guiding the implementation of Program 135 on supports for infrastructure investment and production development for extreme difficulty-hit, border and safety zone communes, and extreme difficulty-hit villages and hamlets**

This Joint Circular takes effect on January 3, 2014.-

**OTHER DOCUMENTS**

CONSOLIDATED DOCUMENTS

**Document No. 24/VBHN-BGTVT of December 12, 2013, on consolidation of the Circulars prescribing titles and title-based tasks of seamen and registration of seamen working on board Vietnam seagoing ships**

This Document consolidates the Minister of Transport's Circular No. 07/2012/TT-BGTVT of March 21, 2012, prescribing titles and title-based tasks of seamen and registration of seamen working on board Vietnam seagoing ships, and Circular No. 04/2013/TT-BGTVT of April 1, 2013, amending and supplementing a number of articles of Circular No. 07/2012/TT-BGTVT of March 21, 2012.-

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**THE GOVERNMENT**

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**SOCIALIST REPUBLIC OF VIETNAM**

**Independence - Freedom - Happiness**

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No: 46/2014/ND-CP

*Hanoi, May 15, 2014*

**DECREE**

**REGULATIONS ON COLLECTION OF LAND RENT AND WATER SURFACE RENT**

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

*Pursuant to the Law on Land dated November 29, 2013;*

*Pursuant to the Law on State budget dated December 16, 2002;*

*Pursuant to the Law on investment dated November 29, 2005;*

*Pursuant to the Law on Tax administration dated November 29, 2006; the Law on the amendments to the Law on Tax administration dated November 20, 2012;*

*Pursuant to the Law on Prices dated June 20, 2012;*

*Pursuant to the Law on issuance of legislative documents dated June 03, 2008;*

*At the request of the Minister of Finance,*

*The Government issues the Decree imposing regulations on the collection of land rent and water surface rent*

**Chapter I**

**GENERAL PROVISIONS**

**Article 1. Scope of regulation**

This Decree regulates the collection of land rent and water surface rent in these cases:

1. Land leased from the State including land on the surface and the underground portions of the aboveground constructions under the regulations of the Law on Land.
2. Land leased for the State for building underground constructions serving business purposes other than the underground portions of aboveground constructions under the regulations of the Law on Land.

3. Rights to enjoyment of land of the land users liable to the land rents recognized by the State.
4. Land lease terms of the land renters liable to the land rent extended by the State.
5. Switch from land allocation by the State before the effective date of the Law on Land (July 01, 2014) to land leased from the State.
6. Water surface leased from the State.

## **Article 2. Entities liable to land rent and water surface rent**

1. The entities leasing land from the State and paying annual land rents or lump sum land rents are:

- b) Households and individuals using land for the purposes of agricultural production, forestry, aquaculture or salt making.
- b) Households and individuals that wish to continue using the agricultural land beyond the allocation limits prescribed in Article 129 of the Law on Land.
- c) Households and individuals that use the commercial land; land for mineral extraction; land for the production of building materials and ceramics; non-agriculture land.
- d) Households and individuals that use land for the construction of public works serving business purposes.
- dd) Households and individuals that use salt making land to make salt beyond the local limits on land allocation and economic organizations, overseas Vietnamese, foreign-invested enterprises that use land for investment projects on salt making in accordance with the regulations in Clause 1 Article 138 of the Law on Land.
- a) Households and individuals who are not directly involved in agricultural production, forestry, aquaculture, salt making, allocated non-levied land and required to switch over to the land lease in case they use land for farming in accordance with the regulations in Point b Clause 1 Article 142 of the Law on Land; households and individuals using land for farming must and required to switch over to land lease if they change the land use purposes in accordance with the Clause 3 Article 142 of the Law on Land.
- g) Economic organizations, overseas Vietnamese, foreign-invested enterprises using land to carry out investment projects on agricultural production, forestry, aquaculture and salt making; non-agricultural production and business land; land used for building public works serving business purposes; land for the investment projects on houses for lease.
- h) Economic organizations, overseas Vietnamese, foreign-invested enterprises leasing land to invest in underground constructions under the regulations in Clause 2 Article 161 of the Law on Land.

i) Economic organizations, self-financing public service provider, overseas Vietnamese, foreign-invested enterprises using land to build public works.

k) Foreign diplomatic missions using land to build their headquarters.

2. Entities leasing land from the State and paying annual land rents are:

a) Military units using land for the purposes of agricultural production, forestry, aquaculture and salt making or those purposes in combination with the defense and security duties.

b) Economic organizations, households and individuals using land in the rivers, canals and streams for aquaculture purpose in accordance with the regulations in Point b Clause 1 Article 163 of the Law on Land.

c) Overseas Vietnamese and foreign-invested enterprises using land in the rivers, canals and streams for aquaculture purpose in accordance with the regulations in Point c Clause 1 Article 163 of the Law on Land.

3. Organizations, individuals, overseas Vietnamese, foreign-invested enterprises leasing land from the management boards of the hi-tech zones in accordance with the regulations in Clause 2 Article 150 of the Law on Land; the management boards of the economic zones in accordance with the regulations in Clause 3 Article 151 of the Law on Land.

4. Organizations and individuals leasing land from the Airports authorities to build facilities and constructions providing the airline services in the airports and land used for building constructions providing services other than the airline services in accordance with the regulations in Point b Clause 3 Article 156 of the Law on Land.

5. Organizations, individuals, overseas Vietnamese, foreign-invested enterprises leasing water surface from the State which is not prescribed in the Article 10 of the Law on Land.

### **Article 3. Basis for calculation of land rent and water surface rent**

1. The land rents paid by the entities leasing land from the State under the regulations of the Law on land are based on:

a) The leased land area.

b) The land lease term.

c) Unit prices with regard to the annual land rents (hereinafter referred to as annual unit prices); unit prices of the lease term with regard to the lump sum land rents (hereinafter referred to as lump sum unit prices). In case of any land lease auction, the unit price is the successful bid.

d) Methods of payment (the annual land rent or lump sum land rent).

2. The water surface rents paid by the organizations, individuals, overseas Vietnamese, foreign-invested enterprises leasing water surface from the State not prescribed in the Article 10 of the Law on Land are based on:

- a) The leased water surface area.
- b) Water surface use purposes.
- c) Unit prices of the leased water.
- d) Methods of payment (annual water surface rent or lump sum water surface rent).

## **Chapter II**

### **SPECIFIC PROVISIONS**

#### **Section 1: Determination of land rent and water surface rent**

##### **Article 4. Unit price of leased land**

1. In case of an annual land rent without auction

Annual unit price = rate (%) multiplied by (x) Land price

a) The rate (%) to calculate the unit prices is 1%, except for:

- Land in the urban areas, commercial centers, traffic hubs, residential areas which is extremely profitable to build business premises, the People's Committees of central-affiliated cities and provinces (hereinafter referred to as the People's Committees of provinces) shall provide the rates (%) of the land prices to identify the annual unit prices not more than 3% according to the current conditions of such provinces.

- Land in remote and mountainous areas, islands, regions facing socio-economic difficulties or facing extreme socio-economic difficulties; land used for agricultural production, forestry, aquaculture, salt making; land used as production and business premises of the projects on investment promotions and special investment promotions under the regulations of the laws, the People's Committees of provinces shall provide the rates (%) of the land prices to identify the annual unit prices but not less than 0,5% according to the current conditions of such provinces.

The specific rate (%) is issued according to each area, route conformable with each land use purpose and published by the People's Committee of such province during the implementation.

b) The land prices used for determining the land rents are identified based on the regulations in Clauses 4 and 5 this Article.

2. In case of a lump sum land rent without auctions.

The lump sum unit price is the land price in the land lease term and determined based on the regulations in Clauses 4 and 5 this Article.

3. In case of an auction of right to lease land

a) In case of land lease auction whose land rent is paid annually, the unit price of the leased land is the successful bid in 1 year.

The reserve price used for the auction of the right to lease land whose rent is paid annually is determined based on the regulations in Clause 5 this Article. The successful bids shall be stable in 10 years. The unit price of the leased land shall be adjusted after such 10-year-period expires according to the policies on the collection of land rents with regard to the annual land rent without auction. The adjusted rate must not exceed 30% of the successful bid or the land rent of the previous stable period.

b) In case of land auction whose land rent is paid in lump sum, the unit price of the leased land is the successful bid for the land lease term. The reserve price used for the auction of the right to lease land is determined based on the regulations in Clause 4 this Article.

4. The methods of direct comparison, deduction, income, surplus prescribed in the Decree of the Government shall be applied when:

a) Determining the annual land rents for the first period over which the land rents are stable (hereinafter referred to as stable period); determining the annual land rents and lump sum land rents without auctions; determining the land rents in cases of switch from annual payment to lump sum payment in accordance with the regulations in Clause 2 Article 172 of the Law on Land; determining the land rents when receiving fixtures in accordance with the regulations in Clause 3 Article 189 of the Law on Land; determining annual land rents and lump sum land rents when a state-owned company is equitized, provided the value of leased land is VND 30 billion or higher (in case of central-affiliated cities); VND 10 billion or higher (in case of mountainous provinces); VND 20 billion or higher (in case of other provinces)

b) Determining the reverse prices used for land auctions to lease land in case of lump sum land rents.

5. The method of land price adjustment coefficients shall be applied when:

a) Determining the annual land rents for the first stable period; determining the lump sum land rents without auctions; determining the land rents in cases of switch from annual payment to lump sum payment in accordance with the regulations in Clause 2 Article 172 of the Law on Land; determining the land rents when receiving fixtures in accordance with the regulations in Clause 3 Article 189 of the Law on Land; determining annual land rents and lump sum land rents when a state-owned company is equitized, provided the value of leased land is VND 30 billion or higher (in case of central-affiliated cities); VND 10 billion or higher (in case of mountainous provinces); VND 20 billion or higher (in case of other provinces).

b) Determining the annual unit price when the unit prices of the leased land are adjusted for the next stable period.

b) Determining the reverse prices used for land auctions to lease land in case of annual land rents.

The annual land price adjustment coefficients shall be provided by the People's Committees of provinces and applied to the cases prescribed in this Clause.

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

#### **Article 5. Determination of unit price of leased land to build underground constructions**

1. The rents for the land leased from the State to build underground constructions (other than the underground portions of the aboveground constructions) under the regulations of the Law on Land shall be determined as follows:

a) In case of an annual land rent, the unit price shall not exceed 30% of the annual rent for the surface land having the same use purposes.

b) In case of a lump sum land rent, the unit price shall not exceed 30% of the lump sum rent for the surface land having the same use purposes and lease term.

c) The People's Committees of provinces shall provide the unit prices for the land used for building the underground constructions which are prescribed in Point a and Point b of this Clause and conformable with the local conditions.

2. In case of land used for building the underground constructions attached to the underground portions of the aboveground constructions that the area of the underground constructions exceeds the area of the surface land liable to land rent, the land rents of such differential shall be determined in accordance with the regulations in Clause 1 this Article.

#### **Article 6. Determination of unit prices of leased land with water surface prescribed in Article 10 of Law on Land**

1. The unit prices of the leased land with water surface shall be determined as follows:

a) The annual unit prices and lump sum unit prices of the areas without water surface are prescribed in the Article 4 of this Decree.

b) The annual unit prices and lump sum unit prices of the areas with water surface are equal to or higher than 50% of the annual unit prices or lump sum unit prices of the adjacent areas having the same use purposes.

c) The People's Committees of provinces shall provide the specific payments to calculate the land rents mentioned in Point b of this Clause.

2. The Ministry of Finance shall provide guidance on this Article.

### **Article 7. Water surface rent brackets**

1. The rent brackets of the water surface which is not prescribed in Article 10 of the Law on Land and Clause 3 this Article shall be prescribed as follows:

a) Projects using immovable water surface: VND 20,000,000/km<sup>2</sup>/year to 300,000,000/km<sup>2</sup>/year.

a) Projects using movable water surface: VND 100,000,000/km<sup>2</sup>/year to 750,000,000/km<sup>2</sup>/year.

2. The People's Committees of provinces shall provide the water surface rent to each project based on the water surface rent brackets prescribed in Clause 1 this Article. If the leased sea surface lies on two or more provinces, the People's Committees of such provinces shall decide a consistent water surface rent; in case of disagreement, that shall be reported to the Prime Minister for consideration.

3. The Ministry of Finance shall give instructions on the procedures for the determination and collection of water surface rents and sea surface rents of the projects on the extraction of oil and natural gas in territorial waters and continental shelves in Vietnam.

### **Article 8. Leased land use purposes**

1. Leased land use purposes are determined based on the purposes written in the Decisions on land lease. Such purposes shall be determined based on the Land lease contracts in the absence of Decisions on land lease.

2. In case of any entity using land for the purposes subject to land lease under the regulations of the Law on Land without the Decision on land lease and land lease contract, the land lease purposes to calculate the annual land rent are the actual purposes of using land.

### **Article 9. Leased land area**

1. The leased land area is the area written in the Decisions on land lease. If the area written in the land lease contract exceeds the area written in the Decision on land lease, the leased land area is the area written in the land lease contract.

2. The area liable to land rents is determined by subtracting the area unliable to land rents from the total leased land area under the regulations of the laws.

3. In case of any entity using land for the purposes subject to land lease under the regulations of the Law on Land without the Decision on land lease and land lease contract, the area liable to land rent is the actual area in use.

### **Article 10. Land lease term.**

The land lease term is determined based on the Decisions on land lease, Recognitions for right to enjoyment of land, Decisions on transfer of land, Decisions on switch from land allocation to land lease, Decisions on the extension of the land lease term issued by the competent authorities or Certificates of land ownership.

#### **Article 11. Authorities in charge of determination of annual unit prices and lump sum unit prices**

1. The Directors of the Provincial Departments of Taxation shall provide the annual unit prices and lump sum unit price for the organizations, overseas Vietnamese, foreign-invested enterprises; Directors of the Sub-departments of Taxation shall provide the unit prices for the households and individuals based on the specific land prices provided by the People's Committees of provinces, land price brackets, land price adjustment coefficients and rates (%) to determine annual unit prices and lump sum unit prices.

2. In case of disagreement on the unit price between the any land renter and the competent authorities in charge of determination of the unit price, the President of the People's Committees of such province shall give a final decision.

#### **Article 12. Determination of land rent and water surface rent**

1. With regard to the annual land rents

An annual land rent is calculated by multiplying the area liable to land rent and the unit price prescribed in Clause 1 Article 4 (without auction of land lease) or in point a Clause 3 Article 4 (with auction of land lease) or in Point a Clause 1 Article 5 (if the land is used for building underground constructions) or in Clause 1 Article 6 (if the land includes water surface) of this Decree.

2. With regard to the lump sum land rents

a) A lump sum land rent is calculated by multiplying the area liable to land rent and the lump sum unit price.

a) A lump sum rent for land with water surface is calculated by multiplying the area liable to land rent and the lump sum unit price for land with water surface.

3. With regard to the water surface lease other than the cases prescribed in Article 10 of the Law on Land

a) An annual water surface rent is calculated by multiplying the leased surface water area and the unit price of the leased water prescribed in the Article 7 of this Decree.

a) A lump sum water surface rent is calculated by multiplying the leased surface water area and the water surface lease term and the unit price of the leased water surface prescribed in the Article 7 of this Decree.

4. Any economic organization buy the legal piece of the land from other organizations or individuals to carry out any investment project conformable with the planning and land-use plan that must change the land use purpose after the receipt and must pay the land rent in accordance with the regulations in Article 57 and Article 73 of the Law on Land shall be dealt with as follows:

a) In case of the legal receipt of the agricultural land from the households and individuals under the regulations of the law on land, the amount that the economic organization pays to buy the land shall be deducted from the land rent payable (in case of the lump sum land rent) or converted into the lease period proportional to the amount paid (in case of the annual land rent) The amount that the economic organization pays to buy the land shall be determined as follows:

- If the land price to calculate the unit price is determined by the method of land price adjustment coefficients, the price of the land shall be determined by the same method at the time the land use purpose is changed.

- If the land price to calculate the unit price is determined by the methods of direct comparison, deduction, income, surplus, the price of the transferred land shall be determined by the such methods at the time the land use purpose is changed.

b) In case of legal receipt of the levied non-agricultural land which is other than the residential land and allocated by the State and the land rent which is not funded from the State budget, the amount that is paid by the economic organization shall be deducted from the land rent payable (in case of the lump sum land rent) provided that the land use purpose is changed in accordance with the regulations in Point g Clause 1 Article 57 of the Law on Land and the land is leased from the State. If the economic chooses to pay annual land rent, the amount that is paid for the land shall be converted into the lease period proportional to such amount at the time the change in the land use purpose is approved by a competent authority.

The abovementioned amount that the economic pay to buy the land shall be determined based on the lump sum land rent in the remaining land use term under the regulations of the Law of this Decree.

c) In case of the receipt of the non-levied land allocated by the State and other than the agricultural land or the receipt of fixtures on the leased land whose rent is paid annually, the economic organization shall pay the land rent under the regulations of this Decree when the land use purpose is changed provided that the land is leased from the competent authority.

d) In case of the receipt of the land (other than the agricultural land) in a stable and long use term which is issued with a certificate of land under the regulations of the laws before the effective date of the Law on Land 2013 and used for the purposes of non-agricultural production and business, the land rent is exempted.

5. Whether the land used for purposes liable to the land rent or not, the land rent payable is determined according to the lease area of the land use purposes.

6. If an investor leases land from the State and pays the lump sum land rent under the regulations of the laws **or** leases land that was initially allocated, (s)he shall pay the additional land rent to the State budget when (s)he request the adjustment to the specific construction planning leading to financial obligations (if any).

7. The rent of land used for building the headquarter of any foreign diplomatic mission signing a land lease term of at least 70 years shall be paid as follows:

a) In case of annual land rent, the determination and collection of land rent are similar to those of the Vietnamese organizations leasing land from the State.

b) In case of lump sum land rent, the land rent payable is the lump sum land rent in 70 year; the remaining land lease term is unliable for the land rent. The land price to calculate the lump sum land rent in 70 years is determined under the regulations of the Decree of the Government on the land prices.

8. In case an project is behind the schedule in accordance with the regulations in Point I Clause 1 Article 64 of the Law on Land and given an extension for 24 months by the competent authorities, its owner must pay an additional amount in proportion to the annual land rent within such extension and such additional amount is determined in accordance with the regulations in Clause 1 Article 4 and Clause 1 Article 12 of this Decree.

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

### **Article 13. Handling of compensation for site clearance**

1. In case the Land development fund gives an advance to an organization to provide the compensation for the site clearance so that the land can be ready for lease with auction or not, such compensation shall be handled as follows:

a) In case the land rent is not exempted or reduced as prescribed in the regulations in Articles 19 and 20 of this Decree, the entity leasing land from the State must pay the land rent to the State budget under the regulations of the laws. Such advance shall be repaid to the Land development fund by the State budget under the regulations of the law on State budget.

b) In case the lump sum rent is exempted in accordance with the regulations in Article 19 of this Decree, such compensation for the site clearance shall be repaid by the entity leasing land from the State to the State budget according to the plan approved by the competent authorities and included in the investment of the project.

c) In case an amount of the land rent is exempted or reduced in accordance with the regulations in Article 19 and Article 20 of this Decree, the compensation shall be repaid by the entity leasing land from the State to the State budget according to the plan approved by the competent authorities and shall be deducted from the land rent. The remaining amount (if any) shall be included in the investment of the project.

2. c) The compensation which is voluntarily advanced by an entity leasing land without auction or leasing land from the State accordance with the plan approved by the competent authority shall be deducted from the land rent according to the plan approved by the competent authorities; the deducted amount must not exceed the land rent. The remaining compensation which is not deducted from the land rent (if any) shall be included in the investment of the project.

3. The compensation for the site clearance prescribed in Clause 2 and Clause 2 this Article includes the compensation, support, and resettlement and the expenditure on the compensation for the site clearance.

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

#### **Article 14. Stable period of unit price of leased land and leased water surface of projects paying annual land rents**

1. The annual unit price of leased land, unit price of leased land used for building the underground constructions, unit price of leased land with water surface of each project shall be stable in 05 years from the approval of the State for the land lease, change in land use purposes, switch from land allocation to land lease, and recognition of right to enjoyment of land. After a stable period ends, the Directors of the provincial Departments of Taxation and Directors of the Sub-departments of taxation shall adjust the unit price of leased land, unit price of leased land used for building the underground constructions, unit price of leased land with water surface in the next period in accordance with the regulations in Articles 4, 5 and 6 of this Decree.

2. The annual unit price of the leased water surface of each project shall be stable in 05 years from the approval of the State for the water surface lease. After a stable period ends, the People's Committee of provinces shall adjust the unit price of the leased water surface in the next period in accordance with the regulations in Articles 7 of this Decree.

3. The unit price of the leased land, land used for building the underground constructions, land with water surface and leased water surface shall be adjusted if:

a) The stable period of any project which has paid the land rent and water surface rent expires in accordance with the regulations in Clause 1 and Clause 2 of this Article.

b) The land use purpose of any project is changed (the unit price shall be adjusted according to the new purpose at the time the purpose is changed).

4. In case of any entity using land for the purposes subject to land lease under the regulations of the Law on Land 2013 without the Decision on land lease and land lease contract, the unit price shall not be stable in accordance with the regulations in Clause 1 this Article.

5. The Ministry of Finance shall give guidance on the procedures for the adjustment to the unit prices of the leased land and leased water surface when a stable period ends as prescribed in Clause 1 and Clause 2 this Article.

## **Article 15. Application of unit prices of leased land and leased water surface**

1. The projects leasing land and water surface, projects leasing land that initially belongs to the public service providers; projects leasing land that was initially allocated but the land rents are not determined and notified by the competent authorities from the effective date of this Decree shall be applied the unit prices of the leased land and leased water surface in accordance with the regulations in Articles 4, 5, 6 and 7 of this Decree.
2. The unit prices of projects leasing land and water surface before the effective date of this Decree which are in the stable period shall continue to be stable in the remaining time. If the unit prices of a stable period are higher than the unit prices prescribed in this Decree, the unit prices of the stable period shall be adjusted according to this Decree from January 01, 2015.
3. If the time for the adjustment to the unit prices of the projects leasing land and water surface and paying annual rents other than the cases prescribed in the regulations in Clause 7 this Article is before the effective date of this Decree but the unit prices are not adjusted, such unit prices shall be adjusted under the regulations of this Decree for the remaining land lease term. If the unit prices in the time the land has been used have not adjusted, such unit prices shall be adjusted according to the policies and laws of each stage to pay the land rents.
4. The unit prices of the leased land and leased water surface with regard to the projects leasing land and water surface before the effective date of this Decree and paying lump sum rents shall not be re-determined under the regulations of this Decree.
5. In case the land and water surface have been leased before the effective date of this Decree and their lump sum rents have been paid, the unit prices of the leased land and leased water surface shall not be re-determined under the regulations of this Decree. If a term for which the land rents and water surface rents are paid expires, the unit prices of the leased land and leased water surface in the next term shall be re-determined according to the policies and land prices at the time of the adjustment.
6. If a lessor is permitted by the competent authorities to use the land rent and water surface rent as investment in the partnership before the effective date of this Decree, the land prices shall not be regulated by this Decree. The unit price of the leased land and leased water surface shall be re-determined under the regulations of Articles 4, 5, 6 and 7 of this Decree after such partnership expires.
7. If the unit price of the leased land and leased water surface and adjusting principles of the unit price are prescribed in either Investment certificate (investment license), Decision on land lease and Land lease contract issued by the competent authorities (signed) under the regulations on the unit prices of the leased land and leased water surface of the Ministry of Finance (Decision No. 210A-TC/VP dated April 01, 1990; Decision No. 1417/TC/TCDN dated December 30, 1994, Decision No. 179/1998/QD-BTC dated February 24, 1998, Decision No. 189/2000/QD-BTC dated November 24, 200 and Decision No. 1357TC/QD-TCT dated December 30, 1995) with regard to any project leasing land and water surface before the effective date of this Decree:

a) The unit price of the leased land which has not been adjusted under the regulations in the Clause 2 Article 9 of the Decree No. 142/2005/ND-CP dated November 14, 2005 of the Government shall be adjusted in proportion to each adjusting period by the adjusting rate (%) prescribed in the Investment certificate (investment license); Decision on land lease or Land lease contract.

a) In case of the unit price of the leased land adjusted under the regulations in the Clause 2 Article 9 of the Decree No. 142/2005/ND-CP dated November 14, 2005 of the Government, reissuance of the Investment certificate (investment license) or change in the form for the Land lease contract due to the regulations on the administrative procedures, which leads to the absence of the adjusting principles of the unit prices on such papers, the unit price in the next term shall be adjusted by a rate not higher than the rate (%) prescribed in either three abovementioned papers in comparison with the previous stable period and such adjusted unit price shall apply of the remaining land lease term provided that the land use purposes remain the same.

### **Article 16. Switch from annual land rent to lump sum land rent**

Any economic organization, household and individual, overseas Vietnamese, foreign-invested enterprise leasing land from the State and wishing to switch over from the annual land rent to the lump sum land rent must pay the land rent for the remaining land lease term. The lump sum unit price of the remaining land use term shall be determined at the time of the approval for such switch in accordance with the regulations in Clause 2 Article 4 of this Decree.

### **Article 17. Payment for land rent upon change in land use purposes**

1. In case of change in the land use purposes of any land user as prescribed in Points d, dd, g Clause 1 Article 57 of the Law on Land, (s)he must pay the land rent as follows:

a) Provided that non-levied agricultural land and non-agricultural land allocated by the State are switched over to the non-agricultural land leased from the State, the land user must pay the annual land rent or lump sum land rent according to the type of land after the land use purpose is changed.

b) In case of change in the land use purpose among the types of land prescribed in the Point g Clause 1 Article 57 of the Law on Land, the lump sum land rent shall be the differential between the land rent for the land after the land use purpose is change and the land rent for the land before the land use purpose is changed in proportion to the remaining land use term; the annual land rent shall be the land rent for the land after the land use purpose is changed under the regulations of this Decree.

2. If the land use term of an entity liable to the land rent is extended, (s) he shall fulfill the financial obligations for the extended time following the policies and laws at the time of extension.

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

## **Section 2: EXEMPTION OF, REDUCTION IN LAND RENT AND WATER SURFACE RENT**

### **Article 18: Rules for exempting, reducing land rent and water surface rent**

1. The land rent and water surface rent is exempted and reduced according to each investment project along with the new land lease.
2. Any land renter or water surface renter eligible for both rent exemption and reduction shall be exempted from the land rent or water surface rent. After that his rent shall be reduced in the remaining lease term under the regulations (if any). In case the renter is eligible for various level of reduction, the highest level shall apply.
3. The exemption and reduction in land rent or water surface rent prescribed in Articles 19 and 20 of this Decree shall be directly granted to the entities that lease land from the State and determined based on the land rent, water surface rent.
4. Any active project whose exemption or reduction in land rent and water surface rent is higher than the exemption and reduction prescribed in this Decree shall receive such incentives in the remaining time. If the exemption or reduction is less than the prescribed ones, the prescribed incentives shall apply in the remaining time from the effective date of this Decree.
5. The exemption and reduction in land rent or water surface rent shall not apply to projects on natural resource and mineral extraction
6. The land rent and water surface rent of the renters shall be exempted or reduced after they complete the procedures for the exemption and reduction under the regulations.
7. If any land or water surface renter whose rent is permitted to be exempted and reduced by a competent authority under the regulations of this Decree fails to satisfy the conditions of the exemption and reduction in the land rent or water surface rent during the management and use of land or uses the land for the purposes different from the ones written in the decision on land lease or land lease contract other than the land withdrawal under the regulations of the law on land, he must repaid the exempted and reduced amount and pay late payment interest determined based on the exempted and reduced amount to the State budget under the regulations of the law on tax administration.
8. If an entity leasing land from the State pays a lump sum for the entire lease term and enjoys the land rent exemption but wishes to pay the land rent during the lease term, (s)he shall fulfill the financial obligations and has the rights and obligations of land similar to the entities paying the land rent.

### **Article 19: Exemption of land rent and water surface rent**

1. The land rent and water surface rent shall be exempted in these cases:

a) The investment projects which are given investment incentives to be carried out in the areas facing extreme socio-economic difficulties.

b) The projects using land to build houses for the workers of the industrial zones which is approved by the competent authorities, demanding that the owners do not include the land rents in the house rents

c) The projects using land to build dorms for the students which is funded by the State budget, demanding that the units in charge do not include the land rents in the house rents.

d) Land used for agricultural production of the ethnic minorities; land used for the projects on the plantation of protection forests and forest reclamation.

dd) Land used for building public works of the public service providers; land used for building research establishments of the science and technology enterprises if these relevant conditions (if any) are satisfied such as: land used for building laboratories, technology incubators and business incubators, experimental establishments and experimental production establishments

e) Land used for building establishments providing airline services other than the land used for building establishments doing airline service business.

g) Land used for building head offices of cooperatives, drying grounds, warehouses; establishments providing services for agricultural production, forestry, aquaculture and salt making.

h) Land used of building maintenance and repair stations, parking lots (including the ticket counters, executive areas, public service areas) providing services for the public transportation under the regulations of the law on road transportation.

i) Land used for building water supply constructions including: water extraction and water treatment constructions, pipelines, constructions in the water supply pipeline system and constructions facilitating the management and operation of the water supply system (administrative offices, executive offices, factories, sheds).

k) Land used for building infrastructure in the industrial zones, industrial complexes , processing and exporting zones according to the planning which is approved by the competent authorities and prescribed in Clause 2 Article 149 of the Law on Land.

2. The land rents and water surface rents shall be exempted during the fundamental construction period according to the projects approved by the competent authorities for most 3 years from the effective date of the land lease contracts. If a land renter uses land for the agricultural production (planting perennials) according to the project approved by the competent authorities, the land rent exemption applies to each type of perennial during the fundamental construction period in accordance with the process for planting and caring perennials regulated by the Ministry of Agriculture and Rural development. The land rents and water surface rents are exempted during the fundamental construction period of the periods in association with the land lease from the

State, switch from non-levied land allocation to land lease, excluding the construction investments in renovation, enlargement of production and business establishments and replantation on the land leased from the State.

3. The land rents and water surface rents shall be exempted after the land rent and water surface rent exemption of the fundamental construction period in accordance with the regulations in Clause 2 of this Article, in particular:

a) Three (3) years with regard to the projects on the List of domains entitled to investment incentives; new business establishments of the economic organizations which is moved due to the planning or environment pollution.

b) Seven (7) years with regard to the investment projects on the regions facing socio-economic difficulties.

c) Eleven (11) years with regard to the investment projects on the regions facing extreme socio-economic difficulties; investment projects on the List of domains entitled to special investment incentives; projects on the List of domains entitled to investment incentives which are invested in the regions facing socio-economic difficulties.

d) Fifteen (15) years with regard to the projects on the List of domains entitled to investment incentives which are invested in the regions facing extreme socio-economic difficulties; projects on the List of domains entitled to special investment incentives which are invested in the regions facing socio-economic difficulties.

The List of domains entitled to investment incentives and special investment incentives, the regions facing socio-economic difficulties, the regions facing extreme socio-economic difficulties are prescribe on the regulations of the law on investment.

The List of administrative divisions entitled to land rent incentives only applies to the administrative divisions with specific administrative boundaries.

4. The land rents of the economic zones and hi-tech zones are exempted under the regulations of the Government or the Prime Minister on the investment incentives with regard to the economic zones and hi-tech zones.

5. With regard to the construction projects on the headquarters of the diplomatic missions, foreign consular offices and the representative agencies of international organizations in Vietnam according to the International Agreement to which Vietnam is a State Party, the land rent is exempted according to the Agreement or principle of reciprocity.

6. The projects which are allocated levied land by the State before July 01, 2014 and exempted from the land rents shall continue to be exempted from the land rents for the remaining land use period when they lease land.

7. The projects using land to build the public works to serve the business purpose (private sector involvement) in the field of education and vocational training, medical, culture, sports and environment are exempted from the land rents under the regulations of the Government on the incentive policies on the involvement of private sector with regard to the activities related to the fields of education and vocational training, medical, culture, sports and environment.

8. The investment projects on the agriculture and rural areas shall be exempted from the land rents under the regulations of the Government on the investment incentives for agriculture and rural areas.

9. The rents of the agricultural land area within the local limits under the regulations of the laws with regard to the farm households, members of agricultural cooperatives under all inclusive agreements with the enterprises, agricultural production cooperatives switching over to land lease and signing land lease contracts with the competent authorities shall be exempted until the end of 2020 under the regulations of the Law on Land.

10. The Prime Minister shall consider and decide to grant the land rent exemption in other cases which are requested by the Minister of Finance according to the proposals of the Ministers, Heads of ministerial-level agencies, Governmental agencies and Presidents of the People's Committees of provinces.

## **Article 20. Reduction in land rent and water surface rent**

1. The land rents and water surface rents shall be reduced in these following cases:

a) A land rent for the land leased by a cooperative to be used as business and production premises shall be reduced by 50%.

b) A rent for the land or water surface leased to serve the purposes of agricultural production, forestry, aquaculture and salt making shall be reduced by a corresponding rate if less than 40% of its yield is damaged by disaster or conflagration; exempted if 40% or more of its yield is damaged in such year.

b) A rent for the land or water surface leased to serve the purposes of production and business other than the agricultural production, forestry, aquaculture and salt making or the case prescribed in the Clause 2 this Article shall be reduced by 50% during the pause in production and business in case of disaster, conflagration or force majeure.

2. The land rent of the economic zones and hi-tech zones is reduced under the regulations of the Government or the Prime Minister on the investment incentives with regard to the economic zones and hi-tech zones.

3. The land rent of the investment projects on the agriculture and rural areas shall be reduced under the regulations of the Government on the investment incentives for agriculture and rural areas.

4. With regard to the construction projects on the headquarters of the diplomatic missions, foreign consular offices and the representative agencies of international organizations in Vietnam according to the International Agreement to which Vietnam is a State Party, the land rent is reduced according to the Agreement or principle of reciprocity.

5. The Prime Minister shall consider and decide to offer the land rent reduction in other cases which are requested by the Minister of Finance according to the proposals of the Ministers, Heads of ministerial-level agencies, Governmental agencies and Presidents of the People's Committees of provinces.

### **Article 21. Authority to determine and decide exempted and reduced land rent and water surface rent**

1. According to the documents and papers of the entities entitled to the exemption and reduction in the land rent and water surface rent prescribed in Article 19 and Article 20 of this Decree, the tax authorities shall determine the amounts payable by the land renters or water surface renters and the amount that is exempted or reduced, in particular:

a) The Directors of the Provincial Departments of Taxation shall decide the exempted amounts with regard to the economic organizations, foreign organizations and individuals and overseas Vietnamese who lease land.

a) The Directors of the Provincial Sub-Departments of Taxation shall decide the reduced amounts with regard to the households and individuals who lease land.

2. The Ministry of Finance shall give instructions on the procedures for the exemption and reduction in the land rents and water surface rents prescribed in this Article.

### **Section 3. COLLECTION OF LAND RENT AND WATER SURFACE RENT**

#### **Article 22. Procedures for determination of land rent and water surface rent**

1. According to the cadastral dossiers (information about the area, location, purposes, land lease form, land lease term) on the land lease and water surface lease; decision on land price, price for land with water surface, unit price of the leases land to build underground constructions, water surface rents issued by the People's Committees of provinces; Land prices lists, rates (%) and land price adjustment coefficients regulated by the People's Committees of provinces, the tax authorities shall determine and collect the land rents and water surface rents, in particular:

a) Within 05 working days from the receipt of a complete cadastral dossier under the regulations, the tax authorities shall determine the land rent and water surface rent and send a notification of the land rent and water surface rent to the entity liable for the payment.

b) Within 05 days from the receipt of a dossier, if the land rent or water surface rent has not been determined due to lack of information, the tax authorities shall send a written notification to the applicant to complete the dossier; after the cadastral dossier is completed, the tax authorities

shall determine the land rent and water surface rent and send a notification of the land rent and water surface rent to the entity liable for the payment after 05 working days from the receipt of a additional dossier.

2. The tax authorities shall directly send an annual notification of the land rent and water surface rent to the entity liable for the payment. If there is any change in the basis for the calculation of the land rent and water surface rent, the land rent and water surface rent must be re-determined and notified to the entities liable for the payment.

3. After the stable period of the unit prices of the leased land and leased water surface, the tax authorities shall notify the renter of the adjustment to the land rent and water surface rent for the next stable period under the regulations of the laws at the time of the adjustment.

4. The tax authorities shall compile a dossier on the collection and payment for the land rent and water surface rent using the forms provided by the Ministry of Finance.

**Article 23. Determination of land rent and water surface rent payable in case of exemption and reduction in land rent and water surface rent**

1. In case the land rents and water surface rents are paid annually

a) With regard to the land rent and water surface rent exemption prescribed in Article 19 of this Decree, the annual land rents and water surface rents must be paid at the time the renters begin to pay their rents after the exemption period expires which are determined as follows:

$$\begin{array}{l} \text{The land rent or} \\ \text{water surface} \\ \text{rent payable} \end{array} = \begin{array}{l} \text{Annual unit price at the time the} \\ \text{renters begin to pay land rents and} \\ \text{water surface rents} \end{array} \times \begin{array}{l} \text{Area liable for land rent} \\ \text{of water surface rent} \end{array}$$

b) With regard to the reduction in land rent and water surface rent (if any) according to the regulations in Article 20 of this Decree

$$\begin{array}{l} \text{The land rent or} \\ \text{water surface} \\ \text{rent payable} \end{array} = \begin{array}{l} \text{Annual unit} \\ \text{price} \end{array} \times \begin{array}{l} \text{Area of land and} \\ \text{water surface whose} \\ \text{rent is payable} \end{array} - \begin{array}{l} \text{Reduced amount} \\ \text{under regulations} \\ \text{in Article 20 this} \\ \text{Decree (if any)} \end{array}$$

c) With regard to any investor who voluntarily advances the compensation for the site clearance in accordance with the regulations in Clause 2 Article 13 of this Decree, after the exempted or reduced amount is deducted in accordance with the regulations in Point a and Point b this Clause, the advanced amount shall be deducted from the land rent payable. The number of years and months to pay the land rent is calculated based on the following formula:

$$n = \frac{\text{The advanced compensation for site clearance according to the projects approved by the competent authorities}}{\text{Annual land rent and water surface rent payable}}$$

n: number of years or months unliable for land rent or water surface rent

2. In case of the lump sum land rents and water surface rents

b) With regard to the land rent and water surface rent exemption in accordance with the regulations in Article 19 of this Decree

$$\begin{array}{l} \text{The land rent or} \\ \text{water surface} \\ \text{rent payable} \end{array} = \begin{array}{l} \text{The lump sum unit price of the} \\ \text{lease term after the exemption} \\ \text{period is deducted in accordance} \\ \text{with the regulations in Clause 19} \\ \text{of this Decree} \end{array} \times \begin{array}{l} \text{Area liable to land rent or} \\ \text{water surface rent} \end{array}$$

b) With regard to the reduction in land rent and water surface rent in accordance with the regulations in Article 20 of this Decree

$$\begin{array}{l} \text{The land rent or} \\ \text{water surface} \\ \text{rent payable} \end{array} = \begin{array}{l} \text{The land rent or water surface} \\ \text{rent determined in Point a this} \\ \text{Clause} \end{array} - \begin{array}{l} \text{The reduced amount under} \\ \text{regulations in Article 20 this} \\ \text{Decree} \end{array}$$

c) With regard to any investor who voluntarily advances the compensation for the site clearance in accordance with the regulations in Clause 2 Article 13 of this Decree, after the exempted or reduced amount is deducted in accordance with the regulations in Point a and Point b this Clause, the advanced amount according to the projects approved by the competent authorities shall be deducted from the land rent payable based on the formula below:

$$\begin{array}{l} \text{The land rent or} \\ \text{water surface} \\ \text{rent payable} \end{array} = \begin{array}{l} \text{The land rent or water surface} \\ \text{rent payable after the exempted} \\ \text{or reduced amount is deducted} \\ \text{under regulations in Point a and} \\ \text{Point b this Clause} \end{array} - \begin{array}{l} \text{The advanced compensation} \\ \text{for site clearance according} \\ \text{to the project approved by} \\ \text{the competent authorities} \end{array}$$

**Article 24. Collection and payment for land rent and water surface rent**

1. The land rents and water surface rents shall be paid to the State budget in VND; if the foreign organizations and individuals, overseas Vietnamese pay the land rent and water surface rent in foreign currencies, such amounts shall be converted into VND under the regulations of the laws at the time of payment.

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

a) The tax authorities shall send notifications of the payment for the land rents and water surface rents to the renter as well as the land registry offices or authorities of natural resources and environment.

b) The land renters and water surface renters must pay their rents in accordance with the regulations in the notifications of the tax authorities.

3. 3. In case the land rents and water surface rents are paid annually, the annual rents shall be paid 2 times: at least 50% of the rents shall be paid at the first time before May 31; the second time is before October 31.

4. In case of the lump sum land rents and water surface rents

a) Each land renter must pay 50% of his land rents prescribed in the notification within 30 days from the day on which the Notification of the land rent and water surface rent is signed by a tax authority.

b) The land renter must pay the remaining amount within the next 60 days.

c) If the renter has not completely pay the land rent prescribed in the Notification of the tax authority within the period prescribed in Point a and Point b this Clause, he must pay the late payment interest on the unpaid amount according to the prescribed rate of the law on tax administration.

5. The Ministry of Finance shall provide the declarations, documents, logbooks on the payment for the land rents and water surface rents.

#### **Article 25. Responsibilities of authorities, entities paying land rents, water surface rents and airports authorities**

1. The financial authorities shall:

a) Calculate the price adjustment coefficients and the specific rate (%) to determine the local unit prices according to each route corresponding to each land use purpose and request the People's Committees of provinces to consider promulgating them under the regulations in Clause 5 Article 4 of this Decree.

b) Determine the rates (%) to calculate the rents for the land used for building underground constructions, land with water surface, leased water surface and request the People's Committees to consider regulating them.

c) Determine the amounts deducted from the land rents and water surface rents payable.

d) Act as the standing agencies of the local land price assessment Councils responsible for assessing the specific land prices to calculate the land rents according to the proposals of the authorities of natural resources and environment with regard to the cases prescribed in Clause 4 Article 4 of this Decree and report that to the local land price assessment Councils for consideration before requesting the People's Committees of provinces to decide.

2. The authorities of natural resources and environment, land registry offices shall:

Determine the location, area, types of land, land use purposes, land and water surface lease term, which serves as the basis for the determination of the rent and land rents, water surface rents payable.

3. The tax authorities shall:

a) Determine the unit prices, rents for land used for building underground constructions, land with water surface, water surface rents and notify the renters of the payment under the regulations of this Decree.

b) Determine the unit prices and notify the Airports authorities to collect the land rents of the entities who lease the land and water surface located in the airports.

c) Organize, give instructions, check, answer the questions and deal with the complaints about the collection and payment for the land rents and water surface rents under the regulations of the law on tax administration.

4. The agencies affiliated to the Treasuries:

a) Collect the land rents and water surface rents and submit them to State Treasuries according to the notifications of payment for the land rents and water surface rents and fulfill such obligation for any reason.

b) Must not postpone the collection until the following day when the entities responsible for fulfilling the financial obligations complete the procedures for the payment.

5. Airports authorities shall:

a) Provide the tax authorities with the dossiers on land lease and water surface lease of the renters who lease the land in the airports in accordance with the regulations in Point b Clause 3 Article 156 of the Law on Land 2013.

b) be allowed to authorize other agencies to collect the land rents and water surface rents of the renters who lease the land and water surface in the airports under the regulations of the law on tax administration.

c) Expedite the payment for the land rents and water surface rents of the renters who lease the land and water surface in the airports following the methods and deadlines written in the Land lease contracts.

6. The land and water surface renters shall:

a) Declare the land rents and water surface rents under the regulations of the Law on Tax administration and guiding documents.

b) Pay the land rents and water surface rents following the methods and deadlines written in the Land lease contracts.

a) Pay the late payment interest in accordance with the regulations in Article 26 of this Decree if they do not pay the full land rents and water surface rents after the deadlines for the payment for land rents and water surface rents.

#### **Article 26. Handling of late payment for land rent**

In case of late payment for the land rents and water surface rents to the State budget, the land and water surface renters must pay the late payment interest. The late payment interest on the land rents and water surface rents is determined based on the prescribed rate of the Law on Tax administration and guiding documents.

#### **Article 27. Complaints and handling of complaints**

The complaints and handling of complaints on the land rents and water surface rents shall be implemented under the regulations of the Law on Complaints and guiding documents. During the handling process, the persons who make the complaints must pay the full land rents and water surface rents which are notified by the competent authorities in time.

### **Section 4. RESPONSIBILITY TO COLLECT LAND RENT, WATER SURFACE RENT, TRANSITIONAL PROVISIONS AND HANDLING OF ISSUES**

#### **Article 28. Responsibilities of Ministry of Finance**

1. Give instructions on the determination and payment for the land rents and water surface rents; procedures and documents on the exemption and reduction in land rents and water surface rents; procedures and documents related to the compensation deduction under the regulations.
2. Provide the documents, declarations, forms for logbooks on the collection and payment for the land rents and water surface rents. Administer the collection of land rents and water surface rents by the division of authority among the units in charge, which is conformable to the division of authorities among the units in the management of the State budget and the law on land.
3. Check and give guidance on the land evaluation to calculate the land rents under the regulations of the law on price.
4. Inspect the collection of land rents and water surface rents.
5. Cooperate with the relevant Ministries and regulatory authorities in reviewing the regulations on the exemption and reduction in the land rents of the entities other than the ones prescribed in Article 19 and Article 20 of this Decree and notify the Government and the Prime Minister to consider and deal with them in accordance with the regulations of the Law on Land.

6. Take charge and cooperate with the Ministry of Natural Resources and Environment in providing the documents, procedures for the receipt and circulation of the documents among the authorities of finance, tax and natural resources and environment in determining the land rents and water surface rents and collecting them.

### **Article 29. Responsibilities of Ministry of Natural Resources and Environment**

Cooperate with the Ministry of Finance in providing instructions on the documents, procedures for the receipt and circulation of the documents among the authorities of finance, tax, natural resources and environment and State Treasuries at all level in determining the land rents and water surface rents and collecting them.

### **Article 30. Responsibilities of the People's Committees of provinces**

1. Promulgate the Land price lists, land price adjustment coefficients, the rates (%) to calculate the unit prices and rent rates with regard to the land used to build the underground constructions, land with water surface and decide the specific land prices which serves as a basis to calculate the land rents; decide the water surface rents prescribed in Article 7 of this Decree with regard to each specific project.

2. Direct the functional agencies to complete the legal documents on land of the land users without land lease contracts.

3. Direct the People's Committees at all levels to check, monitor the use of land of the land renters and water surface renters and collect the land rents and water surface rents under the regulations of this Decree.

4. Direct the regulatory authorities affiliated to the People's Committees of provinces to cooperate with the tax authorities in administering the renters and collecting the land rents and water surface rents under the regulations of this Decree.

5. Check and deal with the cases in which the declarations are incorrect and the exemption and reduction granted to ineligible entities, which cause damage to the State as well as the entities paying the land rents.

6. Deal with the complaints about the collection of land rents and water surface rents under the regulations of the law on complaints and denunciation.

### **Article 31. Transitional provisions**

1. Any economic organization, household and individual, overseas Vietnamese leasing land under the regulations of the Law on Land 2013 who has been allocated land and paid the land rent before the effective date of the Law on Land 2013 shall continue to use the land in the remaining land use term and be not required to switch over to land lease. When the land use term expires, they must switch over to land lease and pay the land rent under the regulations of this

Decree if such term is extended by the competent authorities in accordance with the regulations in Clause 1 Article 60 of the Law on Land.

2. Any economic organization, household and individual, overseas Vietnamese leasing land under the regulations of the Law on Land 2013 who has been allocated land and paid the land rent before the effective date of the Law on Land 2013 shall not be required to pay the land rent for the remaining land use term if they wish to switch over to land lease.

3. Any economic organization, household and individual, overseas Vietnamese leasing land under the regulations of the Law on Land 2013 who has been allocated non-levied land before the effective date of this Law must switch over to land lease from the effective date of the Law on Land 2013 under the regulations in Clause 2 Article 60 of the Law on Land 2013 and must pay the land rents under the regulations of this Decree.

4. Any overseas Vietnamese, foreign-invested enterprise leasing land from the State and paying the lump sum land rent for the entire lease term to carry out the investment project on the construction of houses for commercial purposes before the effective date of the Law on Land 2013 shall follow the policies on levied land allocation if they wish to switch over to the levied land allocation under the regulations of the Law on Land 2013.

5. Any economic organization receiving the legal agricultural land from the households and individual allocated non-levied land by the State to carry out the investment project on the agricultural production before the effective date of the Law on Land 2013 shall continue to use the land and be not required to pay the land rent for the remaining period of such project. They must switch to land lease and pay the land rent under the regulations of this Decree if they wish to continue to use the land after the deadline of such project.

6. That any land renter eligible to lease land and receiving the notification of payment for land rent from a tax authority before the effective date of the Law on Land 2013 has not fulfill his financial obligations at the time this Decree takes effect shall be dealt with as follows:

a) In case of the lump sum land rent, he shall continue to pay the land rent notified by the tax authority and the late payment interest according to the prescribed rates of the Law on Tax administration and guiding documents.

b) In case of the annual land rent, he shall continue to pay the land rent notified by the tax authority by 2015 and the late payment interest according to the prescribed rates of the Law on Tax administration and guiding documents.

7. Any economic organization, household and individual, overseas Vietnamese carrying out the production and business investment in economic zones which have been allocated land by the State and received the land from other economic organizations and overseas Vietnamese before the effective date of the Law on Land 2013 shall continue to use the land in the remaining period of such project and be not required to switch over to land lease. If they wish to continue using the land after the periods of the projects, the management boards of the economic zones shall

consider leasing them the land in accordance with the regulations in Article 151 of the Law on Land 2013 and the land renters must pay the land rents under the regulations of this Decree.

8. Any household or individual who has been allocated littoral land and riparian land before the effective date of the Law on land 2013 for agricultural purposes shall continue to use land in the remaining land allocation period. When the land allocation period ends, if they wish to use land which is conformable with the planning, land-use plan and obedient to the law on land, they must pay the land rent under the regulations of this Decree when leasing land from the State in accordance with the Article 141 of the Law on land 2013.

9. Any economic organization that is allocated non-levied land by the State for the purposes of agricultural production, forestry, aquaculture and salt making before the effective date of the Law on Land 2013 and required to switch over to land lease in accordance with the regulations in Article 133 of the Law on Land 2013 shall pay the land rent under the regulations of this Decree.

10. Any household and individual, overseas Vietnamese leasing land under the regulations of the Law on Land in 2013 that has been bought before the effective date of the Law on Land in 2013 shall continue to use the land in the remaining land use term. They are not required to switch over to land lease under the regulations of this Law. When the land use term expires, they must switch over to land lease and pay the land rent under the regulations of this Decree if such term is extended by the competent authorities.

11. If the compensation for the site clearance which has been advanced by an investor according to the plan approved by a competent authority following the policies on compensation and support for resettlement when the land is withdrawn by the State under the regulations of the Law on Land 2003, has not been completely deducted from the annual land rent under the regulations of the laws of each stage, the remaining which has been determined by the competent authority shall continue to be deducted and converted into the lease period proportional to the amount paid.

12. Any project leasing land whose rent is paid annually from the State by auction under the regulations of the Decree No. 121/2010/ND-CP dated December 30, 2010 of the Government with the stable period of the unit price lasting 10 years shall continue to apply the principles prescribed in the Decree No. 121/2010/ND-CP after such period ends with the stable period of the unit price lasting 10 years.

Any project leasing land whose rent is paid annually by the auction of right to lease land under the regulations of the Decree No. 142/2005/ND-CP dated November 14, 2005 of the Government with the stable period of the unit price lasting 5 years shall continue to apply the principles prescribed in the Decree No. 142/2005/ND-CP after such period ends with the stable period of the unit price lasting 5 years.

### **Article 32. Handling of specific issues**

1. If an investor leasing land from the State and paying the annual land rent to make construction and business investment in the infrastructure in the industrial zones, industrial complexes, processing and exporting zones, whose either Investment certificate (investment license), Decision on land lease and Land lease contract issued by the competent authorities (signed) prescribes the principles of the adjustment to the unit price, sublets the land with the infrastructure which is paid in lump sum before January 01, 2006, (s)he must pay the State the lump sum land rent which is determined based on the unit price at the time such land is sublet (based on the principle that after each stable 5-year-period the rent shall increase by 15% in comparison with the previous period) and his or her annual land rent paid to the State which is based on the abovementioned period with regard to this area from the time such land is sublet (if any) shall be deducted.

2. If the period of the land rent reduction of any project whose land rent is reduced until 2014 under the regulations of the Government and the Prime Minister on the solutions to the difficulties in production, business, market support and handling of bad debts, expires according to those policies during the stable period of the land rents, such project shall be applied the land rents under the regulations in this Decree from the January 01, 2015.

3. If any land user who has not allowed to lease the land by the competent authorities is using land for the purposes of production and business, (s) he shall pay the land rent according to the Notification of tentative payment for the land rent and water surface rent which is given by the tax authority based on the policies and land price at the time the Notification is issued before the effective date of this Decree and shall not be required to adjust the notified land rent. From the effective date of this Decree, the tax authorities shall determine the annual land rent payable (must not be stable in 05 years) based on the land price on the Land price lists, land price adjustment coefficients, rates (%) of the land prices to determine the unit price issued by the People's Committees of province, land area and actual land use purposes and notify the land user to pay. The People's Committees of provinces shall direct the authorities of natural resources and environment to complete the documents on land lease and water surface lease under the regulations of the law.

4. That any land user leasing land from the competent authorities before the effective date of this Decree has not adjusted the land rent under the regulations in the Decree No. 142/2005/ND-CP dated November 14, 2005 and Decree No. 121/2010/ND-CP dated December 30, 2010 and paid the annual land rent according to the Notification of tentative payment issued by the tax authorities shall be dealt with as follows:

a) In case of tentative payment for the annual land rents based on the policies and land prices at the time the Notification of the tentative payment for the land rents is issued, the land rents shall be paid based on the tentative payment.

b) In case of the tentative payment for the annual land rent based on the policies and land prices before the effective date of the Decree No 142/2005/ND-CP dated November 14, 2005 other than the cases prescribed in Clause 7 Article 15 of this Decree, the land rent shall be adjusted, the tentative payment for the land rents shall be settled and the land rent payable shall be collected under the regulations.

c) The tax authorities shall determine and adjust the unit prices with regard to the cases prescribed in Points a and b this Clause under the regulations in this Decree. Such unit prices shall apply from July 01, 2014.

### **Chapter III**

#### **IMPLEMENTATION**

##### **Article 33. Effect**

1. This Decree takes effect from July 01, 2014.
2. This Decree replaces the Decree No. 142/2005/ND-CP dated November 14, 2005 of the Government imposing regulations on collecting land rent and water surface rent; the Decree No. 121/2010/ND-CP dated December 30, 2010 of the Government on the amendment to some articles of the Decree No. 142/2005/ND-CP of the Government on collecting land rent and water surface rent.

##### **Article 34. Implementation responsibility**

The Ministries, Heads of ministerial-level agencies, Heads of Governmental agencies, the Presidents of People's Committees of central-affiliated cities and provinces, land and water surface renters shall implement this Decree./.

**ON BEHALF OF THE GOVERNMENT  
THE PRIME MINISTER**

**Nguyen Tan Dung**

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## **ANNEXURE 6.1**

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### **PRODUCTION FLOW CHART**

(Information in this annexure is business sensitive. Disclosure of the same will cause irreparable damage to the business interest of the company. Summarization of the same is not possible)

## **ANNEXURE 6.2**

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# **FINANCIAL STATEMENTS FOR PARTICIPATING DOMESTIC PRODUCERS FOR THE FINANCIAL YEARS 2020-21, 2021- 22, 2022-23 & 2023-24.**

(Information in this annexure is business sensitive. Disclosure of the same will cause irreparable damage to the business interest of the company. Summarization of the same is not possible)