

LEGAL GUIDE FOR INVESTING AND DOING BUSINESS IN VIETNAM

I: INVESTMENT REGULATIONS

On 1 July 2006, the investment regime comprised of a unified Enterprise Law, which regulates corporations, and a common Investment Law, which regulates investment, came into effect. The promulgation of these two important legislations is considered a significant watershed for improvement of the legal environment on investment activities and corporate governance in Vietnam.

1. Overview

To do business under the Investment Law and Enterprise Law, foreign investors are required to obtain investment certificates from an appropriate Licensing Authority.

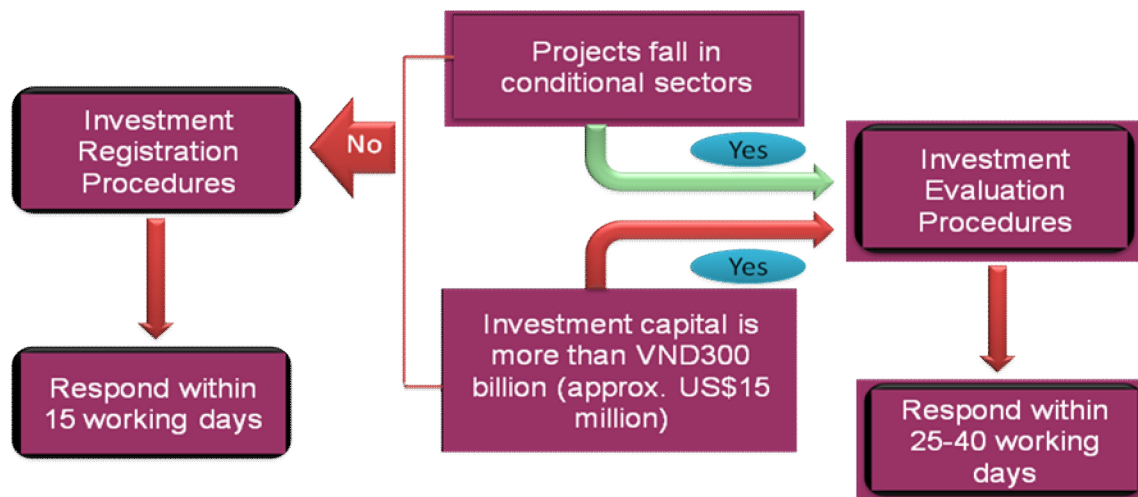
Under the Investment Law, investors may invest in all sectors not prohibited by law. Areas prohibited by law include:

- Investment projects detrimental to national defence, security, and the public interest;
- Investment projects detrimental to historical and cultural traditions and the ethics or customs of Vietnam;
- Investment projects harming people's health or destroying natural resources and the environment; and
- Investment projects treating toxic waste imported to Vietnam and investment projects manufacturing toxic chemicals banned by international law.

2. Licensing

Investors shall follow the licensing and registration steps depending on the size and the sector of the investment project.

Investment Certification Process



Conditional sectors: Investment projects in conditional sectors shall satisfy certain conditions in order to be licensed. Conditional sectors include:

- Broadcasting and television;
- Production, publishing and distribution of cultural products;
- Exploration and exploitation of minerals;
- Establishment of infrastructure for telecommunications network, transmission and provision of internet and telecommunications services;
- Establishment of public postal network and provision of postal services and express services;
- Construction and operation of river ports, sea ports, terminals and airports;
- Transportation of goods and passengers by railway, airway, roadway and sea and inland waterways;
- Catching of aquaculture;
- Production of tobacco;
- Real estate business;
- Import, export and distribution business;
- Education and training;
- Hospitals and clinics; and
- Other investment sectors in international treaties of which Vietnam is a member and which restrict the opening of the market to foreign investors.

Investment Registration: Foreign investment projects with a total invested capital of less than VND 300 billion (US\$ 15 million) and not falling in a conditional sector are subject to “investment registration” and foreign investors of such projects shall carry out the procedures for investment registration in order to be granted an investment certificate. The investment certificate also serves as the business registration of the corporate entity.

Enterprises can subsequently register additional investment projects without the need to create a separate entity.

The investor should submit application documents for investment registration to the Licensing Authority. The Licensing Authority shall check the documents and issue the investment certificate to the investors within 15 working days of receiving the valid application.

Investment Evaluation: Any investment project with a total invested capital of VND 300 billion (US\$ 15 million) or more or investment projects falling in conditional sectors shall undergo “an investment evaluation” by the Licensing Authority and other relevant authorities. There are two different types of evaluation:

- evaluation for investment projects regardless of total invested capital falling into conditional sectors; and
- evaluation for investment projects with total invested capital of VND300 billion or more that do not fall into conditional sectors.

For the evaluation of investment projects with total invested capital of VND 300 billion or more, along with the application documents, the applicant must also submit an “economic - technical explanation”

of the investment project to the Licensing Authority. This covers the economic – technical explanatory statement, objectives, scale, location, investment capital, implementation schedule, land use needs, and technological and environmental solutions of the investment project.

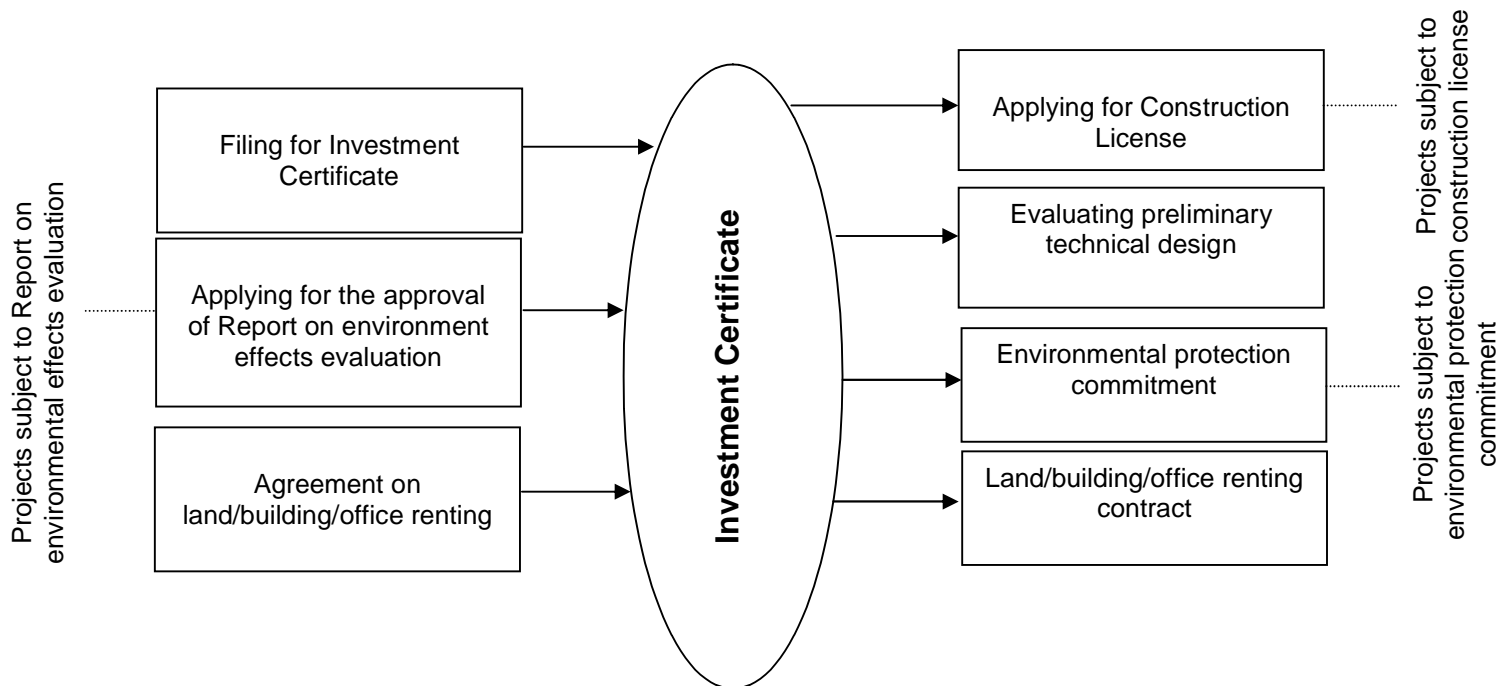
For the evaluation of investment projects falling in conditional sectors, in addition to the application documents, the investor shall also demonstrate compliance with requirements specific to that conditional sector.

When assessing the application documents, the Licensing Authority may liaise with other relevant Ministries and authorities in evaluating the proposed investment project. Items to be evaluated shall comprise:

- compliance with master planning/zoning for technical infrastructure, master planning/zoning for land use, master planning for construction, master planning for utilization of minerals and other natural resources;
- land use requirements;
- project implementation schedule;
- environmental solutions.

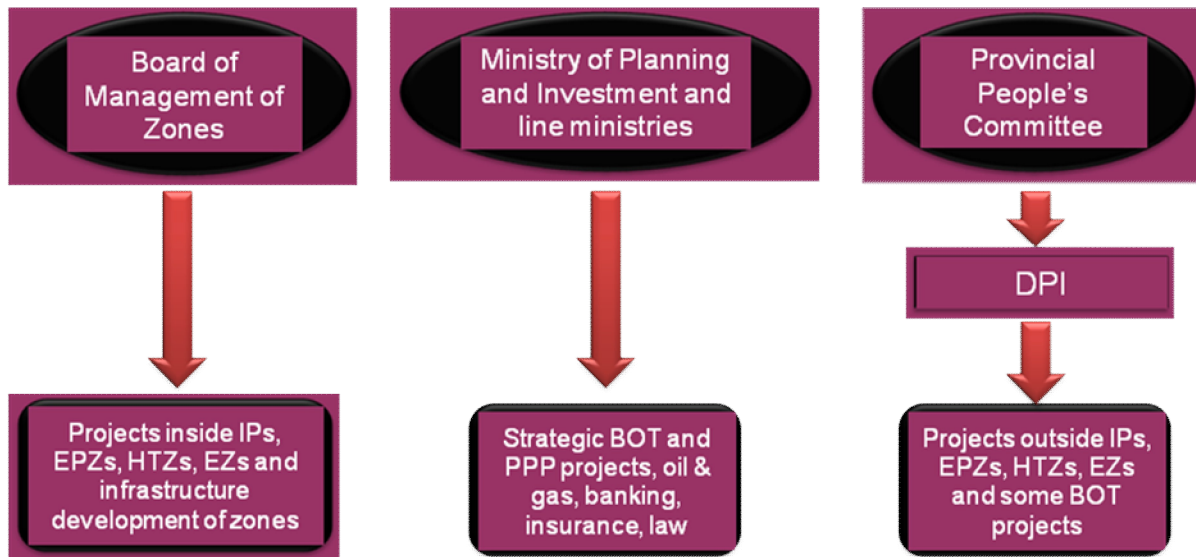
The time-limit for evaluation of investment shall not exceed thirty (30) days from the date of receipt of a complete and valid file. In necessary cases, the above time-limit may be extended, but not beyond forty five (45) days.

To-Do List for Investors



3. Licensing Authority

Licensing Authority



- 3.1 The Board of Management (“BOM”) of industrial zones (“IZs”), export processing zones (“EPZs”), high-tech zones (“HTZs”), and economic zones (“EZs”) are responsible for licensing foreign investments within their zones.
- 3.2 National important BOT projects and PPP projects are licensed by the Ministry of Planning and Investment (“MPI”). Oil and gas projects, credit institutions, insurance projects and law firms are licensed by Ministry of Trade and Industry, State Bank of Vietnam, Ministry of Finance and Ministry of Justice respectively.
- 3.3 The Provincial People’s Committee is the authority responsible for all other foreign investments.

Licensing applications shall be submitted to these bodies, who will consult with other relevant governmental authorities (where so required) before issuing final approval.

3.4 The Prime Minister will approve the following investment projects (unless they are not included in the approved master plan):

- (a) The following investment projects, irrespective of the source of investment capital and scale of investment:
 - construction and commercial operation of airports; air transportation;
 - construction and commercial operation of national sea ports;
 - exploration, mining and processing of petroleum; exploration and mining of minerals;
 - radio and television broadcasting;
 - commercial operation of casinos;
 - production of cigarettes;

- establishment of university training establishments; and
 - establishment of IZs, EPZs, HTZs and EZs.
- (b) The following investment projects, irrespective of the source of investment capital but with a total invested capital of VND 1,500 billion or more in the following sectors:
- business in electricity, processing of minerals, metallurgy;
 - construction of railway, road and internal waterway infrastructure; and
 - production and business of alcohol, beer;
- (c) The following projects with foreign-invested capital in the following sectors:
- commercial operation of sea transportation;
 - construction of networks for and supply of postal and delivery, telecommunications and internet services, construction of wave transmission networks;
 - printing and distributing newspapers and printed matter, publishing; and
 - establishment of independent scientific research establishments.

4. Forms of Investment and Enterprise

Under the “Law on Investment” and the “Law on Enterprises” foreign investors may choose the following forms of investment in Viet Nam:

Investment forms:

- Invest in business development;
- Establish economic organizations (100% capital of foreign investors or joint-venture);
- Purchase shares or contribute capital to participate in management of investment activities;
- Invest in contractual forms of BBC, BO, BTO, BT, PPP; and
- M&A of enterprises.

While foreign investors are allowed to buy shares in many domestic companies without limitation, there are ownership limitations for certain companies listed on the Vietnam stock exchange and financial sectors. Foreign ownership cannot exceed 49 percent of listed companies and 30 percent of listed companies in the financial sector.

Forms of enterprises:

- Limited liability company (with one member or more than one member);
- Share holding company/Joint stock company;
- Private company/Sole proprietorship;
- Partnership; and
- Corporate group.

5. Investment assistance and Incentives

Incentives to encourage investment in Vietnam come in varying forms, including:

- preferential corporate income tax rates;
- exemption from, or reduction of, corporate income tax;
- import duty exemptions;
- exemption from taxes on royalties;
- exemption from, or reduction of, land use or land rental fees; and
- privileges awarded to BOT, BTO, BT and PPP projects and projects in economic zones or high tech zones.

Investments in geographical areas of Vietnam that face difficult socio-economic conditions are more likely to qualify for some of the above investment incentives.

Investment incentives are available for projects that focus on the following activities:

- Production of new materials or new energy;
- Production of high-tech, bio-technology or info-technology products;
- Production of manufactured mechanical products;
- Cultivation and processing of agricultural, forestry and aquatic products;
- Production of man made strains, new seeds and breeds of animals;
- Use of, or research and development on, high technology or modern technology;
- Protection of ecological environment;
- Employment of large numbers of employees;
- Construction and development on infrastructure or important projects;
- Development of facilities in educational, training, medical, gymnastic and sports sectors; and
- Development of traditional trades.

In addition, Government support is available for investments that deliver the following economic benefits:

- Technology transfer;
- Training support;
- Investment supporting services (i.e. consultancies, training, market research, design and testing centres); and
- Construction of infrastructure outside zones.

Investment guarantees include:

- No nationalization or confiscation of investors' assets;
- Protection of intellectual property rights;
- Opening markets and investments related to trade;
- Remittance of capital and assets abroad; and
- Investment guarantees in the event of changes in law or policies.

Performance requirements

	Requirement
Purchase or use of domestic goods or services	None
Export requirements of goods or services	None
Domestic content requirements for intermediate inputs	None
Self balance of foreign currency	None
Domestic R&D content requirements	None
Price rates for goods and fees and charges for services controlled by the State	Uniform application

II: TAXATION

The following taxes may affect foreign-invested projects and foreigners working in Vietnam:

- Corporate Income Tax;
- Capital Transfer Tax;
- Value-Added Tax; and
- Personal Income Tax.

1. Corporate Income Tax

1.1 CIT rates

The new Law on CIT has introduced a standard CIT rate of 25% for FICs, including foreign parties to BCCs since 1 January 2009. FICs and foreign parties to BCCs which obtained investment licenses or certificates before 1 January 2009 will continue to enjoy the preferential tax incentives as stipulated in their investment license or certificate.

1.2 Preferential rates

Other than the standard rate, preferential rates of 10% (for 15 years or the whole operation period) and 20% (for 10 years) apply to a number of investment projects which satisfy certain conditions such as investment in certain fields of business and/or encouraged geographical locations. In addition to preferential CIT rates, FICs and foreign parties to BCCs may enjoy CIT exemption between 02 to 04 years and a 50% reduction in CIT between 04 to 09 years subsequently.

CIT preferential rates, exemptions and reductions

CIT Rate	Criteria	Period applicable	CIT exemption*	50% CIT reduction when CIT exemption period expired*
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CIT Rate	Criteria	Period applicable	CIT exemption*	50% CIT reduction when CIT exemption period expired*
10%	Newly established enterprises in: Locations: with specially difficult socio-economic conditions; Economic Zones, High Tech Zone established under PM's decision Sectors: high technology, scientific research and technology development, investment in development of specially important infrastructure facilities of the State; production of software products.	15 years from the first year of revenue generation 15 years from the first year of revenue generation (maximum 30 years at PM's approval)	4 years	9 years (5 years for newly-established enterprises in the socialization sectors operating in areas <u>other than</u> areas with difficult or specially difficult socio-economic conditions)
	Enterprise operating in the field of socialization (education – training, occupational training, health care, culture, sport and the environment)	During the whole operation period		
20%	Newly established enterprise in areas of difficult socio-economic conditions	10 years from the first year of revenue generation	2 years	4 years
25%	Standard rate for all projects except for projects in the field of oil and gas or rare and precious mineral exploitation, which are subject to 32-50% CIT rates	N/A	N/A	N/A
Certain expenditures of enterprises in manufacturing, construction and transportation for female or ethnic minority labor are deducted from CIT				
* The application of tax exemption/ reduction from the first profitable year. 3 year limit is introduced.				

1.3 Carried-forward losses

During the operation, any losses incurred by FICs or foreign parties to BCCs in any tax year may be carried over to the following years and such losses are deductible from taxable income. Losses may be carried forward for a maximum period of 05 consecutive years as from the year following the year in which the loss arose. Carrying-back of losses is not permitted.

1.4 Profit remittance tax

From 01 January 2004, profits derived from foreign investments in Vietnam have not been subject to profit remittance tax when remitted out of Vietnam.

2. Capital Transfer Tax

The tax rate applied to capital transfer is 25% and 20% of the assessable income with respect to corporations and individual tax residents, respectively, and 0.1% of the transfer price with respect to individual non-tax residents.

Upon obtaining the amendment to the investment certificate, the transferor is required to register the transfer of capital with the tax authority.

3. Value-Added Tax

Value-Added Tax (“VAT”) applies to the supply of goods and services for use in production, business or consumption in Vietnam. VAT is calculated on the sale/purchase price of the relevant goods or service before the addition of VAT.

The applicable VAT rates are 0%, 5% and 10%, of which the normal rate of 10% is applicable to most goods and services; 5% for a number of encouraged goods and services; and 0% for exported ones and international transportation. Certain goods and services are exempt from VAT, e.g., unprocessed agricultural products sold by the producer, certain insurance services and certain imported equipment. The difference between being subject to VAT at 0% and being exempt from VAT is that, in the former case, the input VAT can be claimed from the tax authority.

VAT exemptions

Foreign-invested projects shall be exempt from VAT with respect to the following imported items:

- (a) machinery, equipment and materials which are not yet able to be produced domestically and which are required to be imported for direct use in scientific research and technological development activities;
- (b) machinery, equipment, replacement parts, specialised means of transportation and materials which are not yet able to be produced domestically and which are required to be imported to carry out prospecting, exploration and development of petroleum and natural gas field; and
- (c) aircraft, drilling platforms and watercraft which are not yet able to be produced domestically and which are required to be imported to form fixed assets of enterprises or which are leased from foreign parties for use in production and business and in order to be sub-leased.

4. Personal Income Tax

4.1 Taxpayers

Under the new Law on Personal Income Tax, taxpayers include tax residents and non-tax residents.

- A tax resident who (a) stayed in Vietnam for 183 days or more within a calendar year or within a consecutive 12 month period from his/her arrival in Vietnam or (b) has a registered permanent residence in Vietnam or has a house rented in Vietnam under a lease contract of 90 days or more in a tax year, is subject to PIT on worldwide-sourced income (regardless of where the income is paid) and Vietnam-sourced income.
- A non-tax resident who does not fall under the category of tax resident above is subject to PIT on income sourced in Vietnam.

4.2 Exempt income and allowable deductions

Exempt income:

The following incomes, among others, are not subject to PIT:

- Income from the transfer of immovable properties between spouses; parents and children; adoptive parents and adopted children; parents-in-law and children-in-law; grandparents and grandchildren; and between siblings;
- Income from the transfer of residential houses, residential land use right and properties attached

thereto in case the house or the land is the only place for accommodation of the transferor;

- Income being receipt of an inheritance or gift of real property as between husband and wife; as between parents and children, including foster parents and adopted children; as between parents-in-law and children-in-law; as between grandparents and grandchildren; and as between siblings;
- Interest income from deposits or savings in credit institutions/banks and interest from life insurance policies;
- Income from overseas remittances from Vietnamese relatives;
- Salary for night-shifts and excessive amount of overtime income;
- Pension paid by the Social Insurance;
- Income from the scholarships granted by the State budget or by national and international organizations;
- Insurance compensation payments under life insurance policies, non-life insurance policies, compensations for accidents at work;
- Income earned from charity (non-profit) funds; and
- Income from governmental or non-governmental foreign aids for charity and humanitarian purpose.

Family deductions:

Under the new PIT regime, sums called as “family deductions” may be deducted from the taxable business incomes and employment incomes of tax residents prior to the assessment of tax. Family deductions include:

- Personal deduction of VND4 million/month (approx. USD200/month); and
- Dependent deduction of VND1.6 million (approx. USD80/dependent/month).

A dependent means a person that a taxpayer has obligations to feed up or support, including (a) infant or offspring being handicapped or incapable to work, and (b) individuals having no income or having incomes not exceeding VND500,000/month (approx. USD25/month) including offspring studying in universities, colleges, high schools or technical and vocational schools; spouse who is incapable of working; parents over the working age or incapable of working; and other persons directly reared or cared for by taxpayers who are over the working age, or within the working age but is disabled, with no residence.

There is no limit on the number of dependent reported by each taxpayer but each dependent must be reported once by taxpayers.

Other deductions:

Taxpayers can claim deductions from their business incomes and employment incomes for the compulsory contributions of Social Insurance, Health Insurance, professional indemnity insurances, and other statutory insurances.

Furthermore, donations to licensed charity organizations including humanitarian funds and study encouragement funds may also be deducted from business incomes and employment incomes of taxpayers.

4.3 PIT rates applicable to tax residents

(a) The scale of progressive tax rates on each portion of income that applies to business income and employment income are as follows:

Exchange rate: USD1=approx. VND20,000

Tax Bracket	Portion of Annual Assessable Income (million VND)	Portion of Annual Assessable Income (million VND)	Tax Rate (%)
1	Up to 60	Up to 5	5
2	Over 60 to 120	Over 5 to 10	10
3	Over 120 to 216	Over 10 to 18	15
4	Over 216 to 384	Over 18 to 32	20
5	Over 384 to 624	Over 32 to 52	25
6	Over 624 to 960	Over 52 to 80	30
7	Over 960	Over 80	35

(b) Flat tax rates for other taxable income

Assessable Income	Tax Rate (%)
Capital investment, royalties	5
Franchise, interests and dividends	5
Inheritances	10
Winning or prizes, gifts	10
Capital transfer	20
Gains transfer of securities	20
Value transfer of securities (Gains are unable to be determined)	0.1
Gains on transfer of immovable properties	25
Value transfer of immovable properties (Gains are unable to be determined)	2

4.4 PIT rates applicable to non-tax residents

Flat tax rates are applicable to non-tax residents as follows:

Income Items	Tax Rate (%)
1. Business income (on turnover arising from provision of goods & services):	
(a) For trading activities	1
(b) For services	5
(c) For production, construction, transportation and other business activities	2
2. Employment income (irrespective of where the income is paid or received)	20
3. Capital investment (on total amount receivable from the investment)	5
4. Capital transfer (on transfer price)	0.1
5. Transfer of immovable properties (on transfer price)	2
6. Royalty and franchise (on the portion of income exceeding VND10 million)	5
7. Prizes, inheritances and gifts (on the portion of income exceeding VND10 million)	10

5. Import and Export Duties

5.1 Tax rates

Export duties are charged on a few items, primarily agricultural products (e.g. rice, forest products and fish) and natural minerals. Rates vary between 0% and 50% of the FOB price of exported goods. Petroleum oil is subject to an export duty rate between 0% and 8%.

Import duty rates are now classified into three categories as follows:

- preferential rates vary between 0% and 150% of the CIF price of imported goods. Preferential rates are applied to goods imported from countries including Germany which have MFN status with Vietnam;
- special preferential rates apply to goods imported from countries which have a special preferential agreement with Vietnam, e.g. the ASEAN member countries, Japan and with China, Korea, Japan Australia and New Zealand as part of ASEAN.
- ordinary rates apply to goods imported from other countries. These are up to 70% above the preferential rates applicable to MFN countries;

To be eligible for the preferential rates or special preferential rates, the imported goods must be accompanied by an appropriate Certificate of Origin.

5.2 Import duty exemptions

FICs and parties to BCCs shall be exempted from import duty with respect to the following goods, provided that: (a) they are implementing a project in an encouraged field of business set out in Appendix I, or in a geographical location set out in Appendix II and (b) such goods are imported to form the fixed assets of the enterprise:

- equipment and machinery;

- ii. specialized means of transport of a production line which are not yet able be produced domestically and means of transport to be used for carrying workers (automobiles having 24 seats or more, and watercraft);
- iii. components, details, detachable parts, spare parts, accessories, moulds and supplements pertaining to or accompanying the equipment and machinery, and specialized means of transport as specified above;
- iv. raw materials and materials which are not yet able be produced domestically for the manufacturing of the equipment and machinery which are parts of the production line or the manufacturing of components, parts, detached devices, spare parts, installations, moulds and accessories which accompany the equipment and machinery; and
- v. construction materials which cannot be manufactured domestically.

The above exemption of import duty is also applicable in the case of a project's expansion or replacement or renovation of technology.

Investment projects in the specially encouraged sectors or in areas with specially difficult socio-economic conditions shall be exempt from import duties on goods imported for their own use and which can not be produced domestically for a duration of 5 years from the date of commencement of production, including raw materials, materials and component parts. This 5-year tax exemption does not apply to projects producing and assembling automobiles, motorcycles, air conditioners, refrigerators and other items as identified by the Prime Minister.

In addition, goods and products imported in a number of circumstances also enjoy import duty exemption i.e. export processing, petroleum, software, ship building,...

Based on the investment certificate, the feasibility study and the technical design of a project, FICs and parties to BCCs shall register the list of import duty exempted goods with local custom office.

III: CUSTOMS REGULATIONS

Documents required for export include:

- Customs declaration form for export goods (original);
- Detailed packing list (original);
- Export permit for goods requiring export permit (original);
- Purchase and sale contract or equivalent documents (copy);
- Other documents as stipulated by law for specific items (copy).

Documents required for import include:

- Customs declaration form for import goods (original);
- Commercial invoice;
- Purchase and sale contract or equivalent documents (copy);
- Import permit for goods requiring import permit (original);
- Bill of lading (copy);
- Detailed packing list (original);

- Certificate of origin (original). It is required to be eligible for the preferential or special preferential rates, the import goods must be accompanied by an appropriate C/O certifying that they are sourced from preferential treatment countries, otherwise C/O is not required.
- Certificate of registration for quality inspection issued by an inspection organization or note on exemption from state quality control issued by the competent authority and other documents as stipulated by law.

Procedures

Customs procedures are completed at customs offices established at international seaports, international river ports, international civil airports, international railway stations, international post offices, or land border gates or at customs offices established elsewhere under the decision of the Minister of Finance.

Examination

The head of the customs office that receives customs declaration shall determine whether to examine the merchandise or the extent of examination. Vietnam has adopted a system of minimum customs inspection. Under the newly amended Law on Customs, whether a consignment of goods is examined or not depends on the result of analysis of information, records of compliance with law by the owner, and the level of risk of breach of the customs law. Instead of actual customs examination before clearance of goods, the customs now relies more on post-entry auditing to enforce the law.

Examination Exemption: The actual customs inspection is exempted for:

- Goods being imported or exported by owners with good observance of the law;
- Export goods, except those produced from imported materials and those subject to conditional export;
- Import goods which are machinery and equipment to form fixed assets and which are tax exempt as part of an investment project;
- Goods imported into free trade zones, transit ports and customs bond warehouses, goods in transit, emergency relief goods, specialized goods directly servicing national defense and security, humanitarian aid goods and goods temporarily imported for re-exported within a specified time;
- Goods in other special cases as may be decided by the Prime Minister;
- Goods other than the above mentioned may be exempted from actual customs examination if the analysis of information from various sources and from a reconnaissance by Customs establishes that there is no possibility of a breach of the law of customs.

Random examination of no more than 5% of merchandise may be conducted by the customs to assess the goods owner's compliance with the customs law.

Whole –Lot Examination shall be applied to goods whose owners have bad customs records or where customs violation is suspected.

Clearance

In general, goods are released after customs procedures have been completed and taxes have been paid. However, there are some exceptions to this rule. For example, where there is an appropriate reason, declarers may be allowed to submit certain documents in delay. Deferred tax payment may also be applicable to certain type of merchandise such as inputs imported for export manufacturing etc. Goods imported in emergency cases are released immediately without waiting for the completion of customs procedures or paying taxes.

For import or export goods which must be appraised in order to ascertain if they are permitted to be imported or exported, if the goods owner requests to hold the goods for preservation, the customs office shall accept such request only in the case where all conditions for customs control have been satisfied.

For goods which are permitted to be imported or exported but their value must be verified or they must be appraised, analyzed and classified in order to determine the amount of duty payable, such goods shall be cleared by Customs only after the goods owner has discharged the obligation to pay duty on the basis of a self-declaration and assessment of duty and has provided sufficient guarantee in the form of a surety, a deposit or some other appropriate instrument, covering the ultimate payment of customs duties for which the goods may be liable as the results of the verification of the value of the goods and of the appraisal, analysis and classification of the goods.

Post-clearance Audit

Where merchandise has been released to the importer and customs comes to believe that the merchandise has been entered in violation of the laws, they may decide to carry out post customs clearance examination. Customs has the right to do so within five years after the date of registration of the customs declaration.

Signs of violation include illegal or invalid customs declarations, unreasonable tariff duties, commercial and tax fraud and invalid import and export permits for those goods that fall into the sector management. Post clearance audit may be conducted:

- At the customs office to compare declarations with information, analysis and related Customs law or
- At the enterprises to compare customs declarations with accounting records of the importer;
- Actual examination of the cleared goods will be conducted if necessary.

Merchandise Classification for Tax Purpose

If customs office disagrees with the classification of the declarer, they may ask the declarer to supply additional documents or the samples under the witness of the declarer for analysis, classification and determination of tax rate. If the declarer disagrees with the classification of customs office, he may hire another organization at his own expense to reclassify the merchandise.

IV: LAND LAW

1. Land Use Rights and Land Use Right Certificate

Private ownership of land is not permitted in Vietnam and the people hold all ownership rights with the State as the administrator. However, the laws of Vietnam allow ownership of a right to use land. This right is called the Land Use Right ("LUR"). LUR to foreign investors allows title holders to conduct real estate transactions, including mortgages.

There are three main regimes for investors to acquire LURs from the States:

- Allocation: The State can allocate LURs by administrative decision to national entities only. Allocated LURs can be subject to a land use fee or not, depending on the cases.
- Recognition: The State can "recognize" LURs to national entities only, in which case no fee is applicable.

- Leasing: The State can lease LURs on the basis of a contract to both national and foreign entities. LURs leases are subject to a land use rent and are the only form of land ownership available to foreigners.

Foreign investors in Vietnam obtain LURs (a) by way of a JVC to which a local Vietnamese partner contribute LUR as capital contribution, or (b) by way of land leased directly from certain permitted lessors such as the State.

2. Land Lease

A foreign investor may lease the land directly from the Government after he/she establishes an FIC in Vietnam.

Lessors permitted to lease land to FICs

Previously, FICs in Vietnam could only lease land from the Government or sublease land from an infrastructure developer. In addition to these lessors, the current Land Law has allowed FICs, which are set up by foreign investors in Vietnam, to lease land from:

- Vietnamese economic organizations (including State-owned companies), private joint stock companies, and limited liability companies;
- overseas Vietnamese citizens; or
- an existing FIC which leases land from the Government and develops infrastructure facilities on the land, provided that this existing FIC has paid the land rental for the whole land lease term.

The Land Law only allows the lessor who has obtained the land under the “allocation” regime (as opposed to the land “lease” regime) to lease his or her land to FICs. The one exception where the land obtained by the lessor under the “lease” regime can be subleased to FICs is when:

- the Vietnamese Party has leased the relevant land before the effective date of the current Land Law, i.e., 1 July 2004; and
- the land lease has been prepaid in full for the whole or for the majority of the lease term and the remaining prepaid term is at least 05 years.

Land Contribution by Local Parties to Joint Ventures

It is a matter of practice that Joint Ventures in Vietnam have local partners contribute their portion of capital in the form of the LUR value. In this case, the local partner’s land payment must not be sourced directly from the State budget.

Under the Land Law, the Vietnamese party to a Joint Venture may make capital contributions in the form of the LUR only after it has received a land “allocation”, rather than a land “lease”, and where a payment in full for the land “allocation” has been made. Where the land usage fee payment is deferred, the contribution of the LUR into foreign investment projects is still permissible as far as the deferment is allowed in writing by the relevant People's Committee.

There is one exception under the Land Law where a Vietnamese party which “leases” land from the Government can make its contribution in the form of the LUR to a Joint Venture. This exception requires the two conditions as explained above to be satisfied.

After the Joint Venture is incorporated as a result of the issuance of the investment certificate by the Licensing Authority, the LURC will be issued to and in the name of the Joint Venture.

Lease term

The lease term must be consistent with the duration of the approved project provided that it must not exceed 50 years or, in some special circumstances, 70 years.

The extension of the lease term may be allowed by the Government upon expiry if the lessee wants to continue to use the land, provided that:

- the lessee has complied with the land regulations during its use period; and
- the use of land is consistent with the approved land plan.

Foreign investors wishing to extend their lease term must obtain approval to do so. Foreign investors must apply for an extension 06 months before expiration of their LURs and include in their applications an amended business or production plan approved by the relevant authorities.

Rights of foreign investors to the land leased

The LUR of foreign investors shall vary depending on the payment arrangement of land rentals. Where land is being leased from the Government, the Land Law contemplates two payment arrangements of land rental:

- annual rental payment (the “Annual Arrangement”); and
- one-off payment of rental for the entire lease term (the “One-off Arrangement”).

Under a land lease for the Annual Arrangement, the FIC could use the land only and is not allowed to transfer, sub-lease, or mortgage the LUR.

In addition to the LUR given under the Annual Arrangement regime, FICs adopting the One-off Arrangement regime have the additional rights as follows:

- rights to transfer LURs and assets attached to the land (foreign investors with an Annual Arrangement may only transfer assets attached to the land);
- rights to sublease land and assets attached to the land;
- rights to contribute LURs and assets attached to the land as capital of joint ventures; and
- rights to mortgage LURs and assets to credit institutions in Vietnam during the term of the lease.

2. Land Rent Incentives

Land and water surface rent exemptions and reductions apply to a number of investment projects which satisfy certain conditions such as investment in encouraged sectors or certain fields of business and/or encouraged geographical locations. FICs and foreign parties to BCCs may enjoy land and water surface rent exemptions between 03 years to the whole operation period and land and water surface rent reduction in some cases.

Land and water surface rent exemptions and reductions

Criteria (for investment projects in)	Land/water surface rent exemptions	Land/water surface rent reductions
<ul style="list-style-type: none"> - Sectors with special investment incentives which are located in areas with specially difficult socio-economic conditions or economic zones; - Construction of apartments for industrial park workers; - Education, health care, culture, sport, science and technology; - BOT, BTO and PPP form. 	During the whole operation period	N/A
<ul style="list-style-type: none"> - Sectors with investment incentives; - Business and production relocation under planning or due to environmental pollution. 	3 years from the date of operation	N/A
Areas with difficult socio-economic conditions.	7 years from the date of operation	N/A
<ul style="list-style-type: none"> - Areas with specially difficult socio-economic conditions or economic zones; - Sectors with special investment incentives; - Sectors with investment incentives which are located in areas with difficult socio-economic conditions. 	11 years from the date of operation	N/A
<ul style="list-style-type: none"> - Sectors with investment incentives which are located in areas with specially difficult socio-economic conditions or economic zones; - Sectors with special investment incentives which are located in areas with difficult socio-economic conditions. 	15 years from the date of operation	N/A
Agriculture sector suffering from natural disasters or fires which caused a loss of less than 40% of output.	N/A	corresponding rent reduction to be considered
Agriculture sector suffering from natural disasters or fires which caused a loss of 40% or more of output.	In the affected year	N/A
Non-agriculture sector suffering from natural disasters, fires or force majeure.	N/A	50% rent reduction for the termination period of operation

4. Land Price

Land Price is determined in three ways:

- (i) by the relevant People's Committee;
- (ii) via auction; or

(iii) by land users upon transfer/lease, sublease of LURs, or contribution of LURs as capital.

The Government determines land price based on the actual value of the land under normal circumstances. If there is a large discrepancy between their calculations compared to the market price, the Government must adjust the price. The provincial People's Committee issues an official land price for each specific type of land on the first of January every year. The official land price must not be 20% higher than the maximum price or 20% lower than the minimum price of the land price framework provided by the Government.

5. Lease of Commercial Property

As an alternative to leasing a piece of land, service or software companies may consider leasing an office in a commercial building. The procedure for leasing such an office is comparatively simple and is not subject to any approval by Vietnamese authorities.

Another alternative is to lease an office or factory from another company located in an IZ or EPZ.

6. Land Clearance

Under the Land Law, foreign organizations and individuals and overseas Vietnamese investing in Vietnam are not required to pay compensation and assistance for the resettlement of residents. However, if these have been paid in advance, it will be deducted from the relevant rental.

The State will take charge of site clearance and compensation to displaced land users when withdrawing land for use by foreign organizations and individuals and overseas Vietnamese. Foreign investors may enter negotiations directly with the current land users regarding site clearance and compensation.

7. Sale of Apartments

Under the law, potential buyers of real estate projects include the following:

- (a) Local Vietnamese individuals and organizations;
- (b) Overseas Vietnamese who satisfy legal requirements under the laws to purchase apartments/houses in Vietnam;
- (c) Foreign individuals and companies are also allowed to purchase apartments from residential projects in Vietnam. The categories of foreigners allowed to purchase apartments in Vietnam are as follows:
 - (i) foreigners who have direct investments in Vietnam or holding management position in a company operating in Vietnam;
 - (ii) foreigners who have made contribution to Vietnam and such contribution has been recognized by the President or the Prime Minister of Vietnam;
 - (iii) foreigners who have university degrees or higher education level and are currently working in socio-economic fields, and those who have special knowledge which Vietnam needs;
 - (iv) foreigners married to Vietnamese citizens;
 - (v) companies with foreign-invested capital operating in Vietnam which are not a real estate trading companies and have a demand of residential accommodation for its employees.

Foreign individuals are permitted to own apartments for a maximum term of 50 years and foreign companies are permitted to own apartments for a term equal to the term recorded in its investment certificate.

8. Lease of residential houses by foreigners

Currently, not every foreigner or foreign entity entering Vietnam is entitled to lease residential houses or apartments. According to the Law on Residential Housing, only the following are eligible to lease residential houses in Vietnam:

- (a) Foreign organizations and individuals who are allowed to enter Vietnam for a period of at least 03 consecutive months;
- (b) Vietnamese residing overseas who currently reside in Vietnam and have a need to lease a residential house.

V: EMPLOYMENT

1. Recruitment

Under the Labor Code, FICs are allowed to recruit Vietnamese employees directly or through a recruitment centre. Not less than 07 days before recruiting, FICs are required to publicly announce (on either local or central mass media) and post at its head office the recruitment requirements such as a job description, job qualifications, number of laborers to be recruited, the contract term, salary, and working conditions. Within 07 days from the recruitment, FICs are required to provide a list of recruited laborers to the relevant DOLISA.

International or foreign organizations, including any representative offices and branches in Vietnam, are required to recruit Vietnamese employees through a recruitment centre. In the event that the recruitment centre fails to supply the required candidates within 15 days of a recruitment request, the foreign organization is entitled to recruit employees directly.

Foreigners may work in Vietnam in the following forms: (a) pursuant to a labor contract; (b) internal transfer within an enterprise which has a commercial presence in Vietnam; (c) performance of contracts that are economic, commercial, financial, banking, insurance, scientific, cultural, sports, education, or medical health; (d) service providers pursuant to a contract; (e) foreigners (who does not live in Vietnam and who does not receive remuneration from any source in Vietnam) offering services by participating in activities relating to representation of a service supplier in order to negotiate the sale or consumption of services of such supplier, on condition that foreigner does not directly sell such services to the public and does not directly participate in the provision of services; or (f) foreigners representing a foreign non-governmental organization which is permitted to operate in Vietnam.

Foreigners must satisfy all of the following conditions in order to work in Vietnam: (i) be at least 18 years of age; (ii) in good health as necessary to satisfy the job requirements; (iii) either a manager, executive director, or an expert as defined under the law; (iv) not have a criminal record for a national security offence; (v) not currently subject to criminal prosecution or any criminal sentence in accordance with the laws of Vietnam and foreign laws; and (vi) with a work permit issued by the authorized State body of Vietnam if required.

2. Labor Contracts

A labor contract shall, with the exception of contracts with a term of less than 03 months, be in writing and signed directly between an employee and the legal representative of the employer. The contract shall be made on the standard form issued by MOLISA. The contract shall contain the following details: the work to be carried out, working hours and length of breaks, the wage, workplace, term of contract, health and safety provisions, and social insurance. The standard form also allows the employer and employee to agree on other employment terms and conditions.

The contents of a labor contract must be in compliance with the laws of Vietnam and any collective labor agreement of the relevant company.

Types of labor contracts

The Labor Code introduced three types of labor contracts:

- non-fixed term labor contract;
- fixed term labor contract (from 12 to 36 months); and
- “seasonal” labor contract (less than 12 months).

Probationary period

A probationary period can be applied before execution of a labor contract. During the probationary period, either party can terminate the employment contract without prior notice. The probationary period must be:

- (a) no more than 60 days for positions requiring college level qualifications;
- (b) no more than 30 days for positions requiring secondary level qualifications, or with respect to technicians and trade persons; and
- (c) no more than 06 days for manual labor.

3. Termination of Employment

Unilateral termination

The Labor Code only allows unilateral termination of a labor contract in limited circumstances, irrespective of any mutual agreement or other circumstances. There are different procedures for termination by employers and employees. Generally, a party terminating a labor contract unilaterally must give prior notice of termination to the other party.

Unilateral termination by an employee

An employee who signs a labor contract with a fixed term from 12-36 months, or for seasonal work or a specific task of less than 12 months, is entitled to unilaterally terminate the contract prior to expiration if the employee:

- (i) is not assigned to the work, workplace, or working conditions agreed under the labor contract;
- (ii) is not paid the full amount or at the time specified in the labor contract;
- (iii) is subject to maltreatment or forced labor;
- (iv) cannot continue their employment due to adverse personal or family difficulties;

- (v) is elected to a full-time position in a representative public office or is appointed to an office in a State body;
- (vi) is sick or involved in an accident requiring medical treatment for three consecutive months in respect of a fixed-term labor contract of 12 months to 36 months or a quarter of the contract term in respect of a seasonal job or a specific job with a term of less than 12 months; or
- (vii) in the case of female employees, is pregnant and must stop working based on the advice of a doctor.

An employee who signs a non-fixed term labor contract is entitled to unilaterally terminate the contract whenever he/she wishes so provided that 45-day prior notice is duly given to the employer.

Unilateral termination by an employer

During the term of a labor contract, unilateral termination by an employer is permitted in the following circumstances:

- (i) the employee regularly fails to perform his contractual duties;
- (ii) the employee is dismissed for disciplinary reasons;
- (iii) the employee has been sick for an extended period (06 months or 12 months depending on the term of the labor contract);
- (iv) the employer is forced to make cuts in the production and workforce due to force majeure events such as fire or natural disaster; or
- (v) the company or organization ceases operations.

4. Wages, Overtime Payments, and Statutory Minimums

The Labor Code allows foreign-invested projects to denominate and pay wages to Vietnamese employees in Dong. Salaries for foreigners may be denominated and paid in foreign currency.

The Government decides and publishes a minimum wage which varies depending on geographical regions and types of work. The current minimum wage per month for an employee is VND1,550,000 (approx. USD77), VND1,350,000 (approx. USD68), VND1170,000 (approx. USD59) and VND1100,000 (approx. USD55) in four different zones. By 2012 all businesses, foreign and domestic, will pay a single nationwide minimum wage.

Overtime on a normal working day (six days of the week and including non-public holidays) must be at least one and a half times the normal hourly rate. On non-working days (01 day a week), overtime pay is at least twice the normal hourly pay, while overtime on public holidays and paid annual leave is three times the normal pay rate. Overtime may not exceed 04 hours a day or 16 hours a week, or 200 hours in a year or 300 hours in a year for special circumstances which require the approval of the provincial People's Committee.

The normal number of working hours in a week is 48 hours, comprising six 8-hour working days and extendable by mutual agreement. Employees working in dangerous, noxious, or especially toxic jobs (as defined by MOLISA) have their work day shortened to 06 or 07 hours.

An employee working for at least 12 months is entitled to annual leave of 12 days in addition to public holidays. Certain especially hazardous and toxic jobs are entitled to either 14 or 16 days annual leave as determined by the Government. An employer may set the schedule of annual leave after consulting with

the Executive Committee of the enterprise trade union and notifying his employees. Employees will be compensated for remaining leave prior to departure from work.

An employee is entitled to paid leave for the following personal reasons: marriage (03 days leave); marriage of a son or daughter (01 day leave); and the death of a person's parents, spouse's parents, spouse, son, or daughter (03 days leave). Female employees are entitled to maternity leave of at least 04 months, with an allowance equal to 100% of their salary to be paid by the Social Insurance Fund. At least 02 months of the maternity leave must be taken post-birth.

5. Work Permits

Expatriates working in Vietnam for 03 months or more must obtain a work permit. The term of a work permit is required to correspond with the length of the labor contract, which is capped at 36 months but may be extended at the employer's request.

Not less than twenty days before an expatriate's estimated date of commencement of work, an FIC must apply to DOLISA or BOM of zone to obtain a work permit for that expatriate. DOLISA or BOM of zone is obliged to give its decision within 15 days of its receipt of such application. Clear reasons must be provided if the application is refused. In addition, a work permit can be withdrawn in certain circumstances, including for a breach of the laws of Vietnam by the expatriate.

Following groups of foreigners working in Vietnam are exempt from the requirement of obtaining a work permit:

- (i) foreigners entering Vietnam to work for less than 03 months;
- (ii) a member of a limited liability company with two or more members;
- (iii) the owner of a one member limited liability company;
- (iv) a member of the board of management of a shareholding company;
- (v) a foreigner entering Vietnam to offer services;
- (vi) foreigners entering Vietnam to work to resolve an emergency situation such as a breakdown or a technically or technologically complex situation arising and affecting, or with the risk of affecting, production and/or business which Vietnamese experts or foreign experts currently in Vietnam are unable to deal with. Such foreigners must carry out procedures for issuance of a work permit if their work extends for more than 03 months; and
- (vii) a foreign lawyer to whom the Ministry of Justice has issued a certificate to practice law in Vietnam.

Not less than seven days prior to the date of commencement of work, foreigners who are exempted from work permit requirements must be registered at DOLISA or BOM of zone where the employer's head office is located. The registration must state the name, age, nationality and passport number of the employee, the dates of commencement and termination of employment, and a description of the work to be done.

6. Collective Labor Agreement

An FIC must negotiate a collective labor agreement if requested by the trade union at the company. This agreement is valid only if at least 50% of the employees agree to the provisions of the agreement.

The collective labor agreement covers matters such as wages for different categories of employees and working conditions. A copy of the collective labor agreement must be filed with DOLISA or BOM of zone within 10 days of the signing of the agreement and will come into effect from the date agreed by the parties as stated in the agreement, or from the signing date where no such date is specified. The term of the collective labor agreement can be of 01 to 03 years subject to renewals thereafter.

7. Trade Unions

Within 06 months of the commencement of a company's operations, the provincial federation of trade union shall set up a provisional trade union organization at the company to represent and protect the rights and interests of employees and the workforce.

An employer must recognize a trade union's status once it is validly organized. There are strict rules protecting the trade union and its members from any coercion or discrimination from employers regarding activity within the trade union. The employer is responsible for ensuring an environment conducive to the activities of the trade union.

8. Employment Funds

The Social Insurance Fund, Health Insurance Fund, and Unemployment Insurance Fund only cover Vietnamese employees.

Social Insurance Fund

Contribution to the State Social Insurance Fund is a statutory obligation of both the employer and employee in all contractual employment relationships longer than 03 months. The Social Insurance Fund provides benefits such as pensions, salaries during sick days, salaries and treatment for labor-related accidents and occupational illnesses, maternity benefits, and death benefits. The contributions are made as follows:

- Employer pays 15% of the monthly salary pool to the Social Insurance Fund.
- Employee pays 5% of his/her monthly salary to the Social Insurance Fund.

Health Insurance Fund

The Health Insurance Fund covers 100% of medical expenses, except for cases where high cost treatments are involved. In such cases, the Health Insurance Fund covers 100% of medical expenses incurred by working employees provided that they are less than VND7 million and 60% of such medical expenses with a cap of VND20 million if they are above VND7 million.

An employer is obliged to pay 2% of the monthly salary pool to the Health Insurance Fund. Each employee must also contribute by paying 1% of his or her monthly salary to the Health Insurance Fund.

Unemployment Insurance Fund

The provision of the law on Unemployment Insurance Fund takes effect on 01 January 2009. Unemployment insurance covers unemployment allowance, job-learning support, and job-seeking support. The contributions are made as follows:

- Employer pays 1% of the fund of monthly salary pool of employees who participate in unemployment insurance on which unemployment insurance premiums are based.

- Employee pays 1% of his/her monthly salary on which unemployment insurance premiums are based.

Provision Fund for Retrenchment Allowances

A company is required to place 1-3% of the total wages paid into a Retrenchment Allowance Fund. When an employee loses his or her job due to restructuring or technological advances affecting a company, the employer has responsibility to retrain the employee. If a new job cannot be created, the employee is entitled to a severance pay of one month's salary for each year employment, with at least two months of such pay guaranteed.

VI: ENVIRONMENT

Subject to the nature, scale and environmental impact level of projects, authorities and investors are required to prepare strategic environment assessment reports and either environmental impact assessment reports (“EIAR”) or environment protection commitments (“EPC”) as conditions for the establishment and operation of certain projects in Vietnam.

1. Strategic Environment Assessment Reports

Projects that are subject to strategic environment assessment reports include strategies and plans on national socio-economic development at the national or provincial level. The agency responsible for building a national strategic project must prepare and submit a strategic environment assessment report to the relevant appraisal body. The appraisal is one of the grounds for approving the project. A strategic environment assessment report must include the following contents:

- (i) general descriptions of the objectives, size and features of the project;
- (ii) descriptions of the natural, economic, social and environmental conditions of the project;
- (iii) a prediction of possible negative effects on the environment;
- (iv) sources of data and appraisal methods; and
- (v) proposed solutions and directions for the implementation of the project.

MONRE is responsible for forming a Strategic Environment Assessment Report Appraisal Board with regard to projects within the authority of the National Assembly, the Government and or Prime Minister. The relevant ministries have a responsibility to form Strategic Environment Assessment Report Appraisal Boards with regard to the projects under their respective authority. Provincial People’s Committees are responsible for forming Strategic Environment Assessment Report Appraisal Boards with regard to the projects under their respective authority or provincial People’s Councils’ authority.

2. Environmental Impact Assessment Report

Investment projects subject to compulsory “EIARs” cover the following main categories:

- (i) nationally important projects;
- (ii) projects using part of the land of or causing an adverse impact on a natural conservation zone, national park, historical and cultural site, natural heritage or classified beauty spot;

- (iii) projects with a potentially adverse impact on a river watercourse, coastal area or area containing a protected ecosystem;
- (iv) projects for the construction of infrastructure of EZs, IZs, HTZs, EPZs or craft village group;
- (v) projects for construction of new urban centers or concentrated residential areas;
- (vi) projects for exploitation and utilization of groundwater or natural resources on a large scale; and
- (vii) other projects with a potential risk of causing an adverse impact on the environment.

Contents of EIAR

An EIAR is required to have the following main contents:

- (i) enumeration and detailed description of the project's construction components, construction area, time and workload; operational technology for each component and the entire project;
- (ii) overall assessment of the environmental status at the project site and neighboring areas; the sensitivity and load capacity of the environment;
- (iii) detailed assessment of possible environmental impacts when the project is executed and environmental components and socio-economic elements to be impacted by the project; prediction of environmental incidents possibly caused by the project;
- (iv) specific measures to minimize bad environmental impacts, prevent and respond to environmental incidents;
- (v) commitments to take environmental protection measures during project construction and operation;
- (vi) lists of project items, the program on management and supervision of environmental issues during project execution;
- (vii) cost estimates for building environmental protection works within the total cost estimate of the project;
- (viii) opinions of the commune-level People's Committees and representatives of population communities in the place where the project is located; opinions against the project location or against environmental protection solutions must be presented in the environmental impact assessment report;
- (ix) citation of sources of figures and data, assessment methods.

Procedures for Consideration and Approval of an EIAR

MONRE is responsible for establishing appraisal boards for appraisal of EIARs for projects approved by the National Assembly, the Government or the Prime Minister, and also for inter-branch or inter-provincial projects.

Ministries, ministerial equivalent bodies or Government bodies are responsible for establishing appraisal boards for appraisal of EIARs for projects within their respective decision-making authority (excluding projects under MONRE responsibility). Provincial People's Committees or BOM of zones are responsible for establishing appraisal boards for establishing appraisal boards for appraisal of EIARs for projects located in their respective localities and within the decision-making authority of their People's Council.

The time-limits for appraisal of strategic environmental assessment reports and EIARs are as follows: (i) a maximum of 45 working days from the date of receipt of a complete and valid application file shall apply to appraisal of projects which the appraisal councils established by MONRE; and (ii) a maximum of 30 working days from the date of receipt of a complete and valid application file shall apply to appraisal of other projects.

3. Environmental Protection Commitment

Projects subject to Environmental Protection Commitments (“EPCs”):

Any project which is not subject to strategic environment assessment reports and EIARs must make a written EPC. The main contents of an EPC are as follows:

- (i) location of execution of the project;
- (ii) type and scale of production, business or service and materials and fuel used;
- (iii) kinds of wastes generated;
- (iv) commitments to apply measures to minimize and treat wastes and strictly comply with the provisions of the laws and regulations on environmental protection.

Registration of EPCs

District People’s Committees or BOM of zone are required to organize registration of EPCs. The time limit for acceptance of EPCs is 05 working days after the date of receipt of valid EPCs. The project owners may commence production, business or service activities after registration of EPCs.

VII: INTELLECTUAL PROPERTY

On 1 January 2006, the Civil Code came into force, and on 1 July 2006, the Law on Intellectual Property, which codified the government regulations on intellectual property, came into force. These are the two principal laws governing the protection of intellectual property rights in Vietnam and adopted by Vietnam to conform to WTO standards on intellectual property protection.

In addition to these laws, Vietnam is also a State Party to the Paris Convention, the Madrid Agreement, Madrid Protocol, and the Stockholm Convention of 1967 (which established the World Intellectual Property Organization). Vietnam is also a member of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs Agreement), the Berne Convention for the Protection of Literary and Artistic Works with effect from 26 October 2004, the Geneva Convention for the Protection of Producers of Phonograms against Unauthorised Duplication of their Phonograms with effect from 06 July 2005, the Brussels Convention Relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite with effect from 12 January 2006, the International *Convention* for the Protection of New Varieties of Plant with effect from 24 December 2006, and the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations with effect from 01 March 2007.

Vietnam’s industrial property regime is administered principally by MOST acting through NOIP. The copyright regime is administered by the Ministry of Culture, Sports and Tourism, acting through the Copyright Department.

1. Protection of Intellectual Property Rights in Vietnam

Generally, except for trade secrets, geographic indications, and trade names (which are entitled to legal protection as far as it fulfils the conditions of formation and usage), intellectual property rights are protected in Vietnam upon registration on a first-to-file priority basis.

Below is a summary of the various types of intellectual property rights protected in Vietnam and the duration of the protection:

Type	Brief Description	Duration of Protection
Patent for Invention	A technical solution presenting worldwide novelty and an inventive step applicable in socio-economic fields	20 years from the date of application
Patent for Utility Solution	A new technical solution in comparison with existing technology and achievable in current economic technological conditions	10 years from the date of application
Industrial Design	The external appearance of a product embodied by lines, three dimensional forms, colours, or a combination of these that is novel, inventive throughout the world, and capable of serving as a pattern for an industrial or handcrafted product	05 years from the date of application which is renewable for an additional two periods 05 years (a total of 15 years maximum)
Layout Design of Integrated Circuit	Three dimensional circuit elements and their interconnections in the integrated circuit which is original and not widely known in the relevant field	The earlier of: (i) 10 years from the date of grant; (ii) 10 years from the date of the first commercial use by owner or an assignee; (iii) 15 years from the creation of the design.
Trademark	Marks used to distinguish goods or services of one person from similar goods and services of another person. They may take the form of words, images, or any combination presented in one or more colours	10 years from the date of application (renewable for successive 10-year periods without limit)
Geographic Indication	Information indicating territorial origin of a product with characteristics or qualities pertaining to the territory	In perpetuity from the certification of protection
Trade Name	Names of individuals or entities used in business activities	As long as it is in formation and usage
Trade Secret	Confidential trade information which could enable the possessor to gain economic advantage	As long as it is in formation and usage
New Plant Variety	New plant variety with a recognisable name among relevant species as created by selection or development which is of distinctiveness, uniformity, and stability for plantation.	20 years from the certification of protection (25 years for timber trees and vines)
Copyright	Moral and material rights with respect to original literary, artistic and scientific works including software	Author's life plus 50 years (except for movies, photographs, plays, applied fine art works, which enjoy 50-year protection)
Copyright-related rights	Moral and material rights in respect of performance show, audio record, visual record, radio program, and satellite program-coded signal	50 years

2. Trademarks

Trademarks are generally protected by registration but certain marks, including logos, cannot be registered if they are:

- not distinctive;
- widely used;
- descriptive of the goods or services in question; or
- misleading, deceptive, or identical to or confusingly similar to existing registrations.

2.1 Priority rights

Vietnam adopts a first-to-file rather than a first-to-use priority system, so that an earlier application for a trademark establishes a right of first priority. The date of priority is generally the date of application, but this can be earlier if a qualifying application has been made in another member country of the international trademark treaties.

Trademarks that have been internationally registered in accordance with an international treaty can also be established in Vietnam once accepted for protection by the trademark office. Applicants who wish to rely on international treaties in establishing a right of priority must make an express statement to that effect in their application for protection and present evidence in support of their claim of priority.

2.2 Registration procedure

Vietnam has adopted the classification of goods and services as specified in the Nice Agreement for the purposes of trademark registration although Vietnam is not a member of the Nice Agreement. A preliminary trademark search can be conducted by the applicant to establish whether the mark or any similar mark has already been registered before applying for a trademark in Vietnam.

Applications can be made either for international registration (including Vietnam) through the World Intellectual Property organization or directly in Vietnam.

2.3 “Well-known” trademarks

Trademarks may still be protected in Vietnam in the absence of first-to-file priority. "Well-known" trademarks in Vietnam are protected in perpetuity. A trademark will be deemed well-known if it has wide public recognition as evaluated on the following criteria:

- number of customers;
 - location for sales;
 - sales turnover;
 - the number of years in continuous use;
 - reputation of goods or services bearing the mark;
 - the number of countries where the trademark has been protected or recognised as well-known;
- and
- costs for an assignment or licensing of the mark, or investment capital contribution value of the mark.

3. Patents

3.1 Invention and utility solution

An invention is defined as a technical solution which is new in comparison to existing technology, which is of a creative character, and is applicable to various social and economic fields.

The following are excluded from patent protection: scientific discoveries, theories, or mathematical methods; schemes, plans, rules and methods for performing mental acts; methods of training domestic animals, playing games, and doing business; computer programs; the presentation of information; solutions of aesthetic characteristics only; plant varieties or animal breeds; processes of plant or animal production which are principally of a biological nature, other than microbiological processes; and human and animal disease prevention methods, diagnostic and treatment methods.

An applicant unable to secure protection as an invention patent may qualify for protection as a utility solution patent (which is essentially an invention without involving an inventive step).

3.2 Priority rights

The priority of applications for patent protection is determined by either the date on which NOIP receives the application or in accordance with the applicable international treaties. Applicants relying on international treaties to establish a right of priority shall make an express statement to that effect in their application and present evidence in support of their claim of priority.

Vietnam is a State Party to the Patent Cooperation Treaty (“PCT”). State Parties to the PCT have agreed to permit an applicant to wait for up to 30 months after the initial filing of a patent application in one country to begin prosecuting the application in other countries. Vietnamese law extends this period to 31 months.

3.3 Registration procedure

Patent applications can be made either for international registration under the PCT procedure or directly in Vietnam.

Applying for patent protection directly in Vietnam will only be possible if the invention or utility solution has not been made public anywhere in the world by being used or described in a written publication before the filing date or priority date, as applicable. A patent application must be submitted to NOIP.

NOIP publishes the application in the industrial property gazette after preliminary examination and acceptance of the application. A substantive examination will only be carried out upon request by the applicant or a third party. A substantive examination determines the patentability of the invention or utility solution and its scope of protection.

4. Industrial designs

An industrial design is evaluated for worldwide novelty in the same way as an invention which requires a substantial distinction and uniqueness when evaluated by a person having ordinary skill in the relevant area. Excluded from the protection of industrial designs are mere functional or technical features of a product’s appearance, external features of civil or industrial construction works, and the shape of a product which is invisible during the use of the product.

A technical design should not be disclosed in any form or in any jurisdiction until the date of filing for protection. This is to maintain its worldwide novelty.

Priority rights over protection of industrial designs are achieved by the same way as for trademarks and patents.

Since international applications are not available for protection of industrial designs, applicants need to register in Vietnam through NOIP.

5. Copyright

5.1 Owners and authors of copyright

There is a distinction between owners and authors of works. An author is a person who creates all or part of a literary, artistic or scientific work. Those who translate, adapt or edit works are deemed to be the authors of their derivative work. Owners of works may be authors or co-authors, authorities or organizations which delegate a duty to an author to create a work, individuals or organizations which contract with an author for the creation of a work, heirs who inherit a work from an author who was also the owner of a work, and individuals and organizations to which ownership rights over a work are transferred by contract.

Rights over a work include personal rights (including the right to name a work and to permit others to use the work) and property rights (including the right to receive royalties and to rent out the work). These rights are divided into three types: (i) rights of an author; (ii) rights of an owner; and (iii) rights of an author who is concurrently the owner of a work and therefore holds full personal and property rights over a work.

5.2 Establishment of copyright

Copyright arises from the moment a work is created in a definite form. The Civil Code provides that copyright protection in respect of foreign individuals and entities will be limited to works which are first published or disseminated in Vietnam, or which are created and take a definite form in Vietnam. Works of foreign authors not first published in Vietnam must be published in Vietnam within thirty days of first publication. Vietnam has acceded to the Berne Convention for the Protection of Literary and Artistic Works that provides the protection of Vietnamese copyright law to qualifying works under the Berne Convention.

5.3 Registration of copyright

Authors, co-authors and owners of works have the right to apply for the registration and protection of copyright and ownership of such works to the Copyright Department under the Ministry of Culture, Sports and Tourism.

The application must be supported by evidence of the applicant's authorship and/or ownership of the work. Where the application is in order, the applicant will be issued with a Copyright Certificate¹ within 15 working days from the receipt of the application.

The Ministry of Culture, Sports and Tourism has primary responsibility for the protection of copyright in Vietnam and is assisted at the local level by a network of Culture, Sports and Tourism Inspectors.

¹ Certificate of ownership rights over copyright works

6. Transfer of Intellectual Property Rights

6.1 Industrial property

Owners of industrial property that is protected in Vietnam (except for “geographic indications”) may license the right to use or transfer ownership of such objects to a third party. Exclusive licensees of the right to use industrial property may further sub-license their right to use.

6.2 Registration requirement

License or assignment of industrial property rights must be made by a written contract. A licensing or assignment agreement must include certain provisions set forth by law such as the particulars of the parties, price, rights and obligations, scope, term, and territory for licensing. Assignment of certain types of industrial property, including inventions, industrial designs, layout designs of an integrated circuit, and trademarks, must be registered with NOIP. The licensing of industrial property rights is binding on the licensor and the licensee without registration with NOIP, but is ineffective against third-parties until registration with NOIP.

6.3 Duration

The duration of licensing contracts is limited to the valid duration of the certificate of protection² for each type of industrial property.

6.4 Prohibited terms

Certain terms restricting a licensee’s rights may be invalid, especially those terms that do not originate or protect the rights of the licensor. These terms include:

- prohibitions on the licensee’s innovation or improvement of the licensed objects of industrial property (except for trademarks), or any obligation of the licensee to transfer such improvement to the licensor free of charge;
- direct or indirect limits on the licensee’s export of goods or services provided under the industrial property object license contract to territories where the licensor is neither the owner of the corresponding industrial property right nor the exclusive importer of such goods (e.g., where the licensor grants exclusive license of the industrial property);
- any obligation of the licensee to purchase from a source appointed by the licensor and without product quality assurance of all or a certain percentage of materials, accessories, or equipment from the licensor or another supplier; and
- prohibitions on the licensee’s claim in respect of the validity of the industrial property right or the licensor’s right to license.

6.5 Other statutory obligations and restrictions

The license or assignment of the trademark must not cause confusion in relation to the characteristics and origin of the goods or services bearing the trademark. The current regulations prohibit the license or assignment of industrial property rights for the purpose of squeezing out competitors and attempting to monopolize the market.

² Certificate of ownership rights over inventions, utility solutions, industrial designs and trademarks, and the right to use an appellation of origin of goods

6.6 License of copyright and related rights

Authors and owners of copyrights may transfer all or part of the property rights over a work to others under a contract or under the laws on inheritance. The personal rights of an author are not generally transferable, but an author who is concurrently the owner of a work has a limited right to transfer some of his/her personal rights.

7. Enforcement of Intellectual Property Rights

7.1 Course of action

The remedies for industrial property infringement fall into two categories - judicial and administrative. An owner or registered user of industrial property is entitled to commence proceedings in court for infringement of their intellectual property rights and the courts have the power to issue an injunction preventing the infringement from continuing and to award damages. The competent authorities have the powers to enforce such an injunction.

Proceedings can be filed at NOIP for verification of the infringement. The customs authorities, market management authorities and economic police have the power to regulate infringing goods and to take the necessary action to seize infringing products. The courses of action available to them include: powers of search; sealing up of premises; temporary detention of persons; temporary custody of goods; and the suspension of production and sale of goods.

7.2 Administrative penalties for infringement

Infringement of rights over industrial property objects shall be subject to penalties in the form of either a warning or a fine. Other sanctions may also be applied such as the suspension of a business license; confiscation of counterfeit goods, facilities or materials used in the infringement; compelled destruction of counterfeit goods; distribution or use of counterfeit goods for non-commercial purposes; and compensation for damages.

Penalties must be applied within one year, or two years for business activities which infringe legal rights of registered trademarks, geographical indications, inventions, or industrial designs, following the date of the infringement. After these statutory time limits have passed, infringers will not be subject to penalties.

7.3 Border control

The Law on Intellectual Property allows customs authorities to apply border control measures for all goods that infringe on intellectual property rights. Border control measures include:

- suspension of customs procedures for goods suspected of infringing intellectual property rights; and
- inspection of goods so an intellectual property right holder may collect information to exercise the right to request suspension of customs procedures.

Customs authorities can suspend the release of goods where there is: (a) a request from the intellectual property right holder; (b) production of protection certificates and evidence of infringement, and (c) a sum of money has been deposited or a bank guarantee has been provided for possible compensation to persons later determined to have not infringed on intellectual property rights.

APPENDIX 1: LIST OF SECTORS ENTITLED TO INVESTMENT INCENTIVES

A. LIST OF SECTORS TO WHICH SPECIAL INVESTMENT INCENTIVES SHALL BE GIVEN:

I. Production of new materials, new energy; production of high-tech products, bio-technology products, info-technology products; production of manufactured mechanical products

1. Production of composite materials, light construction materials, rare and precious materials.
2. Production of high quality steel, alloy, special metals, sponge iron; steel billets.
3. Production of new energy: Construction of plants using solar energy, wind energy, bio-gas, geothermal energy, tides.
4. Production of medical equipment for analytical and extractive technologies in medical sector; orthopaedic instruments, wheelchairs, specialised instruments for the disabled;
5. Projects applying advanced technology, biotechnology to produce medicines meeting international GMP standards; production of drug materials for antibiotics.
6. Production of computers; information, telecommunications and Internet equipment; pivotal info-technology products.
7. Production of semiconductors and high-tech electronic components; production of software products, website applications; provision of software services; research on information technology; training human resources in the field of info-technology.
8. Production and manufacture of precision mechanical equipment; equipment and machinery for examination and control of safety during the process of industrial production; industrial robots.

II. Cultivation and processing of agricultural, forestry and aquatic products; making salt; production of man-made strains, new seeds and breeds of animals.

9. Afforestation and taking care of forests;
10. Cultivation of agricultural, forestry and aquatic products in uncultivated land, unexploited waters;
11. Catching of marine products at offshore sea.
12. Production of new strains; propagation and hybridization of seeds and breeds of animals with high economic efficiency.
13. Production, exploitation and refining of salt.

III. Use of high-technology; modern technology; protection of ecological environment; research on, development and fostering of high-technology.

14. Application of high-technology; application of new technologies which have not been applied in Vietnam; application of biotechnology.
15. Pollution treatment and environmental protection; manufacture of equipment for treatment of environmental pollution, equipment for observation and analysis of environment.
16. Collection and treatment of liquid waste, gaseous waste, solid waste; recycling and reuse of waste;
17. Research on, development and fostering of high-technology

IV. Employment of large number of employees

18. Projects regularly employing 5,000 or more employees.

V. Construction and development of infrastructures and important projects

19. Construction and operation of infrastructure facilities in industrial zones, export processing zones, high-tech zones and economic zones, and of important projects established under a decision of the Prime Minister.

VI. Development of facilities in educational, training, medical, gymnastic and sports sectors

20. Construction of drug detoxification centres or tobacco detoxification centres.
21. Setting up establishments providing sanitation services to prevent and fight against epidemics;

22. Establishment of geriatric centres, and relief centres concentrating on care for the disabled and orphans;
23. Construction of sports centres for training and coaching athletes with high performance; sports centres for the disabled; sports centres with equipment and facilities for exercises and contests, meeting requirements of international sporting events;

VII. Other sectors of production and service

24. Investment in research and development (R&D) accounting for 25% or more of turnover;
25. Services of salvage in the sea.
26. Construction of tenements for employees working in industrial zones, export processing zones, high-tech zones, economic zones; construction of dormitories for college students and construction of housing for people entitled to social benefits.

B. LIST OF SECTORS TO WHICH INVESTMENT INCENTIVES SHALL BE GIVEN:

I. Production of new materials, new energy; production of high-tech products, bio-technology products, info-technology products, manufactured mechanical products

1. Production of sonic, electric and thermal highly-insulating materials; wood-substitute synthetic materials; fire-proof materials, construction plastics, fibreglass, special cement,...
2. Production of non-ferrous metals; cast-iron refining.
3. Production of moulds for metal and non-metal products.
4. Construction of new power plants, electricity transmission and distribution networks.
5. Production of medical equipment; building storage for preservation of pharmaceutical products and for storing human medicaments for prevention of and fighting against natural disasters, calamities, dangerous epidemics;
6. Production of equipment for testing toxic substances in foodstuffs;
7. Development of petrochemical industry;
8. Production of coke, activated carbon.
9. Production of crops protection drugs, insecticides, preventive and curative drugs for animals and aquatic creatures, veterinary drugs.
10. Materials for production of drugs, preventive and curative drugs for social diseases; vaccines, medical bio-products, medicines from pharmaceutical materials, oriental medicines;
11. Construction of establishments for biological testing, and for evaluating effects of drugs; construction of establishments meeting criteria for production, preservation and testing of drugs; cultivation, reaping and processing of pharmaceutical materials.
12. Development of resources of pharmaceutical materials and production of drugs from pharmaceutical materials; projects for researching on and proving the scientific basis of oriental medicine prescriptions, and formulating testing criteria in respect of oriental medicine prescriptions; conducting a survey of and compiling statistics on various types of pharmaceutical materials used for production of drugs; collection, inheritance and application of oriental medicine prescriptions; search for, exploitation and utilisation of new pharmaceutical materials.
13. Production of electronic products.
14. Production of machinery, equipment and components packs in the fields of exploitation of petroleum, mining, and energy; manufacture of large-size lifting and lowering equipment; manufacture of machine tools for metal processing; metallurgy equipment;
15. Production of high and medium voltage electric devices; large-size generators.
16. Production of diesel engines; production and building of, and repair to ships; production of equipment and spare parts for cargo ships, fishing boats; manufacture of dynamic and hydraulic machinery and parts, and compressing machines;

17. Production of equipment, vehicles and machinery for construction; production of technical equipment for the transportation industry; production of locomotives and carriages;
 18. Production of machine tools, machinery, equipment, spare parts serving agricultural and forestry production; food processors; equipment used in irrigation;
 19. Production of equipment and machinery for the textile and garment industry; production of machinery for the leather industry.
- II. Cultivation and processing of agricultural, forestry and aquatic products, making salt; production of man-made strains, seeds and breeds of animals
20. Cultivation of medicinal plants;
 21. Preservation of post-harvest agricultural products; preservation of agricultural and aquatic products and foodstuffs;
 22. Production of bottled or canned juice from fruits;
 23. Production and refining of feed for cattle, poultry, aquatic creatures;
 24. Technical services in support of cultivation of industrial plants and forestry plants, animal husbandry, aquaculture, protection of plants and domestic animals.
 25. Production, propagation and hybridization of seeds and breeds of animal.
- III. Use of high technology, modern technologies; protection of ecological environment; research on, development and fostering of high technology
26. Production of equipment for dealing with oil-overflow.
 27. Production of equipment for waste treatment.
 28. Construction of technical establishments and facilities: laboratories, experimental stations for application of new technologies to production; establishment of research institutes.
- IV. Employment of lots of employees:
29. Projects regularly employing 500 to 5,000 employees.
- V. Construction and development of infrastructure facilities
30. Construction of infrastructure facilities in service of production and operation of cooperatives and community life in rural areas;
 31. Projects for operation of infrastructure facilities and production in complexes of industries and trades in rural areas.
 32. Construction of water plants or water supply systems in service of living needs or industries; construction of drainage systems;
 33. Construction and improvement of bridges, roads, airports, ports, railroad stations, bus stations, parking lots; opening of more railroad routes;
 34. Construction of technical infrastructures for densely-populated areas in localities provided in Appendix B issued together with this Decree.
- VI. Development of facilities in educational, training, medical, gymnastic, sports and national cultural sectors
35. Construction of infrastructure facilities of educational and training establishments. Construction of private and people-founded schools and educational and training establishments at all levels: pre-schools; popular schools; secondary vocational schools; colleges and universities.
 36. Establishment of people-founded hospitals and private hospitals.
 37. Construction of gymnastic and sports centres, exercising clubs, gymnastic and sports clubs; establishments for production and manufacture of or for repair to equipment and devices used for gymnastic and sports exercises.
 38. Establishment of national cultural houses, groups of singers and dancers performing national music and dance; theatres, film studios, film printing and developing establishments, cinemas; production and manufacture of, and repair to

national musical instruments; renovation and conservation of museums, national cultural houses and cultural and artistic schools.

39. Construction of national tourism areas, eco-tourism areas; construction of cultural parks including sports areas and entertainment areas.

VII. Development of traditional trades

40. Formulation and development of traditional trades in relation to production of fine-art and handicraft products; processing of agricultural products and food; production of cultural products.

VIII. Other production or service sectors

41. Provision of the Internet connection, access and application services, and establishment of telephone booths in regions included in Appendix B issued together with this Decree.
42. Development of means of public transportation including: development of ships and airplanes, means of railroad transportation, automobiles of 24 seats or more for transportation of passengers by land; modern and high-speed boats for transportation of passengers by river; container ships, ocean-going vessels.
43. Projects for relocation of production establishments out of inner cities.
44. Construction of type-I markets and exhibition areas.
45. Production of children's toys.
46. Projects for raising capital and lending capital by People's credit funds.
47. Legal consultancy; consultancy on intellectual property and technology transfer.
48. Production of various types of materials for pesticides.
49. Production of basic chemicals, purified chemicals, specialised chemicals and dyes.
50. Production of materials for cleansers, and additives for the chemical industry.
51. Production of paper, cardboard, artificial planks directly from sources of agricultural and forestry materials at home; production of paper-pulp.
52. Weaving fabric, completing textile products; producing silk and fibres of various kinds; tanning and semi-processing of hides.
53. Investment projects in industrial zones, established under a decision of the Prime Minister.

APPENDIX 2: LIST OF GEOGRAPHICAL REGIONS OF INVESTMENT INCENTIVES

No	Province	Regions with specially difficult socio-economic conditions	Regions with difficult socio-economic conditions
1	Bac Kan	All districts and towns	
2	Cao Bang	All districts and towns	
3	Ha Giang	All districts and towns	
4	Lai Chau	All districts and towns	
5	Son La	All districts and towns	
6	Dien Bien	All districts and Dien Bien city	
7	Lao Cai	All districts	Lao Cai city
8	Tuyen Quang	Na Hang and Chiem Hoa districts	Ham Yen, Son Duong and Yen Son districts, and Tuyen Quang town
9	Bac Giang	Son Dong district	Luc Ngan, Luc Nam, Yen The and Hiep Hoa districts
10	Hoa Binh	Da Bac and Mai Chau districts	Kim Boi, Ky Son, Luong Son, Lac Thuy, Tan Lac, Cao Phong, Lac Son and Yen Thuy districts
11	Lang Son	Binh Gia, Dinh Lap, Cao Loc, Loc Binh, Trang Dinh, Van Lang and Van Quan districts	Bac Son, Chi Lang and Huu Lung districts
12	Phu Tho	Thanh Son and Yen Lap districts	Doan Hung, Ha Hoa, Phu Ninh, Song Thao, Thanh Ba, Tam Nong and Thanh Thuy districts
13	Thai Nguyen	Vo Nhai and Dinh Hoa districts	Dai Tu, Pho Yen, Phu Luong, Phu Binh and Dong Hy districts
14	Yen Bai	Luc Yen, Mu Cang Chai and Tram Tau districts	Tran Yen, Van Chan, Van Yen and Yen Binh districts, and Nghia Lo town
15	Quang Ninh	Ba Che and Binh Lieu districts, Co To island district, and other islands and isles of the province	Cam Pha district
16	Hai Phong	Island districts of Bach Long Vy and Cat Hai	
17	Ha Nam		Ly Nhan and Thanh Liem districts
18	Nam Dinh		Giao Thuy, Xuan Truong, Hai Hau and Nghia Hung districts
19	Thai Binh		Thai Thuy and Tien Hai districts
20	Ninh Binh		Nho Quan, Gia Vien, Kim Son, Tam Diep and Yen Mo districts
21	Thanh Hoa	Muong Lat, Quan Hoa, Ba Thuoc, Lang Chanh, Thuong Xuan, Cam Thuy, Ngoc Lac, Nhu Thanh and Nhu Xuan districts	Thach Thanh and Nong Cong districts
22	Nghe An	Ky Son, Tuong Duong, Con Cuong, Que Phong, Quy Hop, Quy Chau and Anh Son districts	Tan Ky, Nghia Dan and Thanh Chuong districts
23	Ha Tinh	Huong Khe, Huong Son and Vu Quang districts	Duc Tho, Ky Anh, Nghi Xuan, Thach Ha, Cam Xuyen and Can Loc districts
24	Quang Binh	Tuyen Hoa, Minh Hoa and Bo	The remaining districts except

No	Province	Regions with specially difficult socio-economic conditions	Regions with difficult socio-economic conditions
		Trach districts	Tuyen Hoa, Minh Hoa and Bo Trach districts
25	Quang Tri	Huong Hoa and Dac Krong districts	The remaining districts except Huong Hoa and Dac Krong districts
26	Thua Thien – Hue	A Luoi district	Phong Dien, Nam Dong, Quang Dien, Huong Tra, Phu Loc and Phu Vang districts
27	Da Nang	Hoang Sa island district	
28	Quang Nam	Dong Giang, Tay Giang, Nam Giang, Phuoc Son, Bac Tra My, Nam Tra My, Hiep Duc, Tien Phuoc, Nui Thanh districts, and Cu Lao Cham island	Dai Loc and Duy Xuyen districts
29	Quang Ngai	Ba To, Tra Bong, Son Tay, Son Ha, Minh Long, Binh Son and Tay Tra districts, and Ly Son island district	Nghia Hanh and Son Tinh districts
30	Binh Dinh	An Lao, Vinh Thanh, Van Canh, Phu Cat and Tay Son districts	Hoai An and Phu My districts
31	Phu Yen	Song Hinh, Dong Xuan, Son Hoa and Phu Hoa districts	Song Cau, Tuy Hoa and Tuy An districts
32	Khanh Hoa	Khanh Vinh and Khanh Son districts, Truong Son island district, and other islands	Van Ninh, Dien Khanh and Ninh Hoa districts, Cam Ranh town
33	Ninh Thuan	All districts	
34	Binh Thuan	Phu Quy island district	Bac Binh, Tuy Phong, Duc Linh, Tanh Linh, Ham Thuan Bac and Ham Thuan Nam districts
35	Dac Lac	All districts	
36	Gia Lai	All districts and town	
37	Kon Tum	All districts and town	
38	Dak Nong	All districts	
39	Lam Dong	All districts	Bao Loc town
40	Ba Ria – Vung Tau	Con Dao island district	Tan thanh district
41	Tay Ninh	Tan Bien, Tan Chau, Chau Thanh and Ben Cau districts	The remaining districts except Tan Bien, Tan Chau, Chau Thanh and Ben Cau districts
42	Binh Phuoc	Loc Ninh, Bu Dang and Bu Dop districts	Dong Phu, Binh Long, Phuoc Long and Chon Thanh districts
43	Long An		Duc Hue, Moc Hoa, Tan Thanh, Duc Hoa, Vinh Hung and Tan Hung districts
44	Tien Giang	Tan Phuoc district	Go Cong Dong and Go Cong Tay districts
45	Ben Tre	Thanh Phu, Ba Tri and Binh Dai districts	The remaining districts except Thanh Phu, Ba Tri and Binh Dai districts
46	Tra Vinh	Chau Thanh and Tra Cu districts	Cau Ngang, Cau Ke and Tieu Can districts

No	Province	Regions with specially difficult socio-economic conditions	Regions with difficult socio-economic conditions
47	Dong Thap	Hong Ngu, Tan Hong, Tam Nong and Thap Muoi districts	The remaining districts except Hong Ngu, Tan Hong, Tam Nong and Thap Muoi districts
48	Vinh Long		Tra On district
49	Soc Trang	All districts	Soc Trang town
50	Hau Giang	All districts	Vi Thanh town
51	An Giang	An Phu, Tri Ton, Thoai Son, Tan Chau and Tinh Bien districts	The remaining districts except An Phu, Tri Ton, Thoai Son, Tan Chau and Tinh Bien districts
52	Bac Lieu	All districts	Bac Lieu town
53	Ca Mau	All districts	Ca Mau city
54	Kien Giang	All districts, and islands and isles of the province	Ha Tien town, Rach Gia town
55	Other regions	High-tech zones and economic zones entitled to incentives, established under a decision of the Prime Minister	Industrial zones and export processing zones established under a decision of the Prime Minister

APPENDIX 3: USEFUL CONTACTS AND ADDRESSES IN VIETNAM

Government agencies of Vietnam

ORGANIZATION	WEBSITE	ADDRESS	TEL	FAX
Government of Vietnam	www.chinhphu.vn	16 Le Hong Phong, Ba Dinh, Ha Noi	080.48922	080.48924
Ministry of Planning and Investment	www.mpi.gov.vn	6 B Hoang Dieu, Ba Dinh, Ha Noi	04.38455298	04.38234453
Ministry of Finance	www.mof.gov.vn	28 Tran Hung Dao, Hoan Kiem, Ha Noi	04.22202828	04.22208091
Ministry of Foreign Affairs	www.mofa.gov.vn	1 Ton That Dam, Ba Dinh, Ha Noi	04.38455631	04.38436488
Ministry of Industry and Trade	www.moit.gov.vn	54 Hai Ba Trung, Ba Dinh, Ha Noi	04.22202222	04.22202525
Ministry of Information and Communications	www.mic.gov.vn	18 Nguyen Du, Ha Noi	04.39435602	04.38263477
Ministry of Construction	www.moc.gov.vn	37 Le Dai Hanh, Ha Noi	04.38215137	04.39741709
Ministry of Education and Training	www.moet.gov.vn	49 Dai Co Viet, Ha Noi	04.38692397	04.38694085
Ministry of Science and Technology	www.most.gov.vn	39 Tran Hung Dao, Ha Noi	04.39439731	04.39439733
Ministry of Transport	www.mt.gov.vn	80 Tran Hung Dao, Ha Noi	04.38224464	04.38222979
Ministry of Labor, Invalids and Social Affairs	www.molisa.gov.vn	12 Ngo Quyen, Ha Noi	04.38269557	04.38248036
Ministry of Natural Resources and Environment	www.monre.gov.vn	83 Nguyen Chi Thanh, Dong Da, Ha Noi	04.38343911	04.38359211
Ministry of Culture, Sports and Tourism	www.cinet.gov.vn	55 To Hien Thanh, Hai Ba Trung, Ha Noi	04.39745846	04.39745846
Ministry of Health	www.moh.gov.vn	138A Giang Vo, Ba Dinh, Ha Noi	04.62732273	04.38434051
Ministry of Agriculture and Rural Development	www.mard.gov.vn	2 Ngoc Ha, Ba Dinh, Ha Noi	04.38468161	04.38454319
State Bank of Vietnam	www.sbv.gov.vn	49 Ly Thai To, Hoan Kiem, Ha Noi	04.38242479	04.38268765
General Department of Taxation	www.gdt.gov.vn	123 Lo Duc, Ha Noi	04.39724209	04.39712286
General Department of Customs	www.customs.gov.vn	162 Nguyen Van Cu, Long Bien, Ha Noi	04.38727033	04.38725949
Directorate for Standards and Quality	www.tcvn.gov.vn	8 Hoang Quoc Viet, Nghia Do, Cau Giay, Ha Noi	04.37562608	04.38361556
National Office of Intellectual Property	www.noip.gov.vn	384 Nguyen Trai, Thanh Xuan, Ha Noi	04.38583069	04.3858 8449