

VINH PHUC RESEARCH, INVESTMENT PROMOTION
AND ENTERPRISE SUPPORT CENTER



PREFERENTIAL POLICIES ON ATTRACTING INVESTMENTS

Incentives in alliance with Vietnamese law
Vinh Phuc's preferential policies



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SECTION A

Incentives in alliance with Vietnamese law

I. INCENTIVES FOR CORPORATE INCOME TAX

1. Preferential tax rates

NO.	Incentives	Entities/parts of business incomes eligible for incentives	Legal Grounds	Notes
1	Preferential tax rate of 10% for 15 years.	<p>a) Incomes from new investment projects in: extremely difficult socio-economic areas, Economic zones, Hi-tech parks, including concentrated IT zones established according to the Prime Minister's Decision.</p> <p>b) Incomes from new investment projects in the following fields: researches on scientific and technological development; high-tech applications prioritized for development investment in accordance with the Law on High Technology; hi-tech incubator, Hi-Tech business incubator; venture capitals in high - tech development prioritized in accordance with the Law on High Technology; investment in building - operating high-tech incubators, high-tech business incubation; investments in water plants, power plants, water supply and drainage systems; bridges, roads, railway; aerial ports, seaports, river ports; airports, railway stations and other particularly important infrastructure works decided by the Prime Minister; software production; production of composite materials, light construction materials, rare and precious materials; renewable energy, clean energy, energy from waste treatment; biotechnology.</p> <p>c) Incomes from new investment projects in the field of environmental protection, including: Manufacture of equipment to treat environmental pollution, equipment for environmental monitoring and analysis; pollution treatment and environmental protection; collection and treatment of waste water, exhaust gas and solid waste; recycling and reuse of waste.</p> <p>d) High-tech enterprises and hi-tech agricultural enterprises according to the Law on High Technology.</p>	<p>1. Law on enterprise income tax No. 14/2008/QH12 dated June 3, 2008;</p> <p>2. Law on the amendments to the Law on Enterprise Income Tax No. 32/2013/QH13 dated June 19, 2013;</p> <p>3. Law on the amendments to Tax Law NO. 71/2014/QH13 dated November 26, 2014;</p> <p>4. Decree No. 218/2013/NĐ-CP dated December 26, 2013 by the Government on Detailing and Guiding the Implementation of Law on Corporate Income Tax;</p> <p>5. Decree NO. 91/2014/NĐ-CP dated October 1, 2014 on amendments to decrees on taxes;</p> <p>6. Decree NO. 12/2015/NĐ-CP dated February 12, 2015 by the Government on Elaboration of the law on amendments to tax laws and amendments to some articles of decrees on taxations;</p> <p>7. Circular NO. 78/2014/TT-BTC dated June 18, 2014 by the Ministry of Finance on guiding the implementation of the Government's Decree NO. 218/2013/NĐ-CP of December 26, 2013 detailing and guiding the implementation of the Law on corporate income tax;</p>	<p>- Enterprises or projects need to fully meet the criteria in alliance with Vietnamese law on enjoying incentives; ensure their compliance with the conditions and procedures for applying tax incentives (CIT) in accordance with the tax laws and guiding documents of the current Tax Law.</p> <p>- The period of applying preferential tax rate is calculated continuously from the first year of revenue from a new investment project; for hi-tech enterprises, hi-tech agricultural enterprises are valid to apply from the date of being recognized as hi-tech enterprises or hi-tech agricultural enterprises; as hi-tech application projects, counting from the date of being granted the certificate of high-tech application project.</p>

NO.	Incentives	Entities/parts of business incomes eligible for incentives	Legal Grounds	Notes
		<p>d) Incomes from new investment projects in manufacture (except projects for the production of goods subject to excise tax, and for mining projects) that meet either of the following two criteria:</p> <ul style="list-style-type: none"> - Projects with minimum investment capital of 6 (six) trillion dong, disbursed within 3 years from first permitted time to invest according to the law of investment with a total turnover at least 10 (ten) trillion dong/year, no later than 3 years from the first year's revenue from the project (no later than the 4th year from the year of revenue, the enterprise must achieve a total revenue of at least 10 (ten) trillion VND/year). - Projects with minimum investment capital of 6 (six) trillion dong, disbursed within 3 years from first permitted time of investment in accordance with the law on investment and regular use of more than 3,000 employees no later than 3 years from the year which there is revenue from the investment project (no later than the 4th year from the year of revenue, the enterprise must meet the conditions of using an average annual number of regular employees over 3,000). <p>e) Incomes from investment projects in the field of production, excluding products subjected to excise tax and mineral extraction, with a minimum investment capital of 12 (twelve) trillion dong, applying technology approved by the Law on High Technology, Law on Science and Technology and disbursing the total registered investment capital within 5 years from the approved date in accordance with the law on investment.</p> <p>g) Incomes from new projects to manufacture products on the list of support industries prioritized for development that meets one of the following criteria:</p> <ul style="list-style-type: none"> - Industrial products to support high technology according the Law on High Technology; 	<p>8. Circular NO. 96/2015/TT-BTC dated June 22, 2015 by the Ministry of Finance on the Guidelines for corporate income tax in the Government's Decree NO. 12/2015/ND-CP dated February 12, 2015 on Guidelines for the Law on amendments to Laws on taxation and amendments to decrees on taxation; amendments to some articles of Circular No. 78/2014/TT-BTC dated June 18, 2014, Circular NO. 119/2014/TT-BTC dated August 25, 2014, Circular No. 151/2014/TT-BTC dated October 10, 2014 of the Ministry of Finance.</p>	

NO.	Incentives	Entities/parts of business incomes eligible for incentives	Legal Grounds	Notes
		<p>- Supporting industrial products for products of the following industries: textile - garment; leather - shoes; electronics and information technology; automobile production and assembly; mechanical engineering, which haven't been able to be manufactured domestically as of January 1, 2015 or was able to be manufactured in alliance with technical standards of the European Union (EU) or equivalent.</p>		
2	10% tax rate on incomes.	<p>a) Incomes from social activities in education - training, vocational training, health, culture, sports, environment, judicial assessment.</p> <p>b) Incomes from publication according to the Law on Publishing;</p> <p>c) Incomes from printing edition (including advertising on printed editions) of media agencies according to the Law on the Press;</p> <p>d) Incomes from investment projects in social housing business for sale and for lease, for lease-purchase, for the subjects specified in Article 53 of the Law on Housing.</p> <p>đ) Incomes from: Planting, tending and protecting forests; from cultivation, animal husbandry, farming and processing of agricultural and aquatic products in areas with difficult socio-economic conditions; cultivating forest products in areas with difficult socio-economic conditions; producing and crossbreeding of plant and animal varieties; salt production, extraction and refining; investment in preservation of post-harvest agricultural products, preservation of agricultural products, aquatic products and food, including investment in direct preservation or investment in leasing preservation of agricultural products, aquatic products and food;</p> <p>e) Incomes of cooperatives in agriculture, forestry, fishery and salt production not included in socio-economically difficult areas and in particularly difficult areas.</p>		

NO.	Incentives	Entities/parts of business incomes eligible for incentives	Legal Grounds	Notes
3	Tax rate of 17% for ten years.	a) Incomes from new investments in areas with difficult socio-economic conditions; b) Incomes from new investment projects: Manufacturing high-quality steel; energy-saving products; manufacturing machinery and equipment for agriculture, forestry, fishery and salt production; production of irrigation equipment; producing and refining animal, poultry and aquatic food; developing traditional industries.		
4	15% income tax rate	Incomes cultivation, husbandry and processing in agriculture and fishery in areas which are not socio-economically difficult or particularly difficult in socio-economic conditions.		
5	17% tax rate	People's credit funds and microfinance institutions newly established in areas with extremely difficult socio-economic conditions after the time period for applying the 10% tax rate.		



2. Tax exemption and reduction:

NO.	Incentives	Entities/parts of business incomes eligible for incentives	Legal Grounds	Notes
1	Tax exemption for 4 years, 50% reduction for the next 9 years.	<p>a) Incomes from investment projects as follows:</p> <ul style="list-style-type: none"> - New investment projects in: Areas with extremely difficult socio-economic conditions, economic zones, and high-tech zones including information technology centralization zones established under the Prime Minister's Decision. - Incomes from new investment projects in the following fields: researches on scientific and technological development; high-tech applications prioritized for development investment in accordance with the Law on High Technology; hi-tech incubator, Hi-Tech business incubator; venture capitals in high – tech development prioritized in accordance with the Law on High Technology; investment in building - operating high-tech incubators, high-tech business incubation; investments in water plants, power plants, water supply and drainage systems; bridges, roads, railway; aerial ports, seaports, river ports; airports, railway stations and other particularly important infrastructure works decided by the Prime Minister; software production; production of composite materials, light construction materials, rare and precious materials; renewable energy, clean energy, energy from waste treatment; biotechnology. - Incomes from new investment projects in the field of environmental protection, including: Manufacture of equipment to treat environmental pollution, equipment for environmental monitoring and analysis; pollution treatment and environmental protection; collection and treatment of waste water, exhaust gas and solid waste; recycling and reuse of waste. - High-tech enterprises and hi-tech agricultural enterprises according to the Law on High Technology. - Incomes from new investment projects in manufacture (except projects for the production of goods subject to excise tax, and for mining projects) that meet either of the following two criteria: 	<ol style="list-style-type: none"> 1. Law on enterprise income tax No. 14/2008/QH12 dated June 3, 2008; 2. Law on the amendments to the Law on Enterprise Income Tax No. 32/2013/QH13 dated June 19, 2013; 3. Law on the amendments to Tax Law NO. 71/2014/QH13 dated November 26, 2014; 4. Decree No. 218/2013/ND-CP dated December 26, 2013 by the Government on Detailing and Guiding the Implementation of Law on Corporate Income Tax; 5. Decree NO. 91/2014/ND-CP dated October 1, 2014 on amendments to decrees on taxes; 6. Decree NO. 12/2015/ND-CP dated February 12, 2015 by the Government on Elaboration of the law on amendments to tax laws and amendments to some articles of decrees on taxations; 7. Circular NO. 78/2014/TT-BTC dated June 18, 2014 by the Ministry of Finance on guiding the implementation of the Government's Decree NO. 218/2013/ND-CP of December 26, 2013 detailing and guiding the implementation of the Law on corporate income tax; 8. Circular NO. 96/2015/TT-BTC dated June 22, 2015 by the Ministry of Finance on the Guidelines for corporate income tax in the Government's Decree NO. 12/2015/ND-CP dated February 12, 2015 on Guidelines for the Law on amendments to Laws on taxation and amendments to decrees on taxation; amendments to some articles of Circular No. 78/2014/TT-BTC dated June 18, 2014, Circular NO. 119/2014/TT-BTC dated August 25, 2014, Circular No. 151/2014/TT-BTC dated October 10, 2014 of the Ministry of Finance. 	<p>guiding documents of the current Tax Law.</p> <ul style="list-style-type: none"> - The tax exemption and reduction period is calculated continuously from the first year of having taxable income from the new investment project entitled to tax incentives. In case there is no taxable income in the first three years, from the first year of revenue from a new investment project, the tax exemption or reduction period is counted from the fourth year. <p>Tax exemption and reduction period for hi-tech enterprises and hi-tech agricultural enterprises are to be counted from the time of being recognized as hi-tech enterprises or hi-tech agricultural enterprises.</p>

NO.	Incentives	Entities/parts of business incomes eligible for incentives	Legal Grounds	Notes
		<ul style="list-style-type: none"> - Projects with minimum investment capital of 6 (six) trillion dong, disbursed within 3 years from first permitted time to invest according to the law of investment with a total turnover at least 10 (ten) trillion dong/year, no later than 3 years from the first year's revenue from the project (no later than the 4th year from the year of revenue, the enterprise must achieve a total revenue of at least 10 (ten) trillion VND/year). - Projects with minimum investment capital of 6 (six) trillion dong, disbursed within 3 years from first permitted time of investment in accordance with the law on investment and regular use of more than 3,000 employees no later than 3 years from the year which there is revenue from the investment project (no later than the 4th year from the year of revenue, the enterprise must meet the conditions of using an average annual number of regular employees over 3,000). - Incomes from investment projects in the field of production, excluding products subjected to excise tax and mineral extraction, with a minimum investment capital of 12 (twelve) trillion dong, applying technology approved by the Law on High Technology, Law on Science and Technology and disbursing the total registered investment capital within 5 years from the approved date in accordance with the law on investment. - Incomes from new projects to manufacture products on the list of support industries prioritized for development that meets one of the following criteria: <ul style="list-style-type: none"> - Industrial products to support high technology according the Law on High Technology; - Supporting industrial products for products of the following industries: textile - garment; leather - shoes; electronics and information technology; automobile production and assembly; mechanical engineering, which haven't been able to be manufactured domestically as of January 1, 2015 or was able to be manufactured in alliance with technical standards of the European Union (EU) or equivalent. b) Incomes from new investment projects in the field of socialization implemented in areas with difficult or extremely difficult socio-economic conditions. 		

NO.	Incentives	Entities/parts of business incomes eligible for incentives	Legal Grounds	Notes
2	Tax exemption for 4 years, 50% reduction for the next 5 years.	Incomes from new investment projects in the field of socialization implemented in areas with difficult or extremely difficult socio-economic conditions.		
3	Tax exemption for 2 years, 50% reduction for the next 4 years.	<p>a) Incomes from new investment projects, including:</p> <ul style="list-style-type: none"> - Incomes from new projects implemented in socio-economically difficult areas; - Incomes from new investment projects: Manufacturing high-quality steel; energy-saving products; manufacturing machinery and equipment for agriculture, forestry, fishery and salt production; production of irrigation equipment; producing and refining animal, poultry and aquatic food; developing traditional industries. <p>b) Incomes from new projects in industrial zones (excluding industrial zones located in areas with favourable socio-economic conditions).</p>		



3. Other entities of tax reduction

a) Enterprises operating in the fields of production, construction and transportation employ from 10 to 100 female employees, of which female staff account for more than 50% of the total number of employees who are regularly present. Enterprises which regularly employ over 100 female employees account for more than 30% of the total number of employees regularly present are entitled to a reduction in corporate income tax payable in proportion to the actual extra money spent on female employees, if they are able to be separately accounted for.

Additional expenses for female employees listed in deductible expenses include:

- Expenses for job retraining for female employees in case the old occupation is no longer suitable and must be reassigned to another occupation according to the development plan of the enterprise.

This expenditure includes: tuition fee (if any) + salary difference in grades (100% salary guaranteed for learners).

- Cost of salaries and allowances (if any) for teachers at kindergartens and kindergartens established and managed by enterprises.

- Expenses for additional health checks throughout the year including occupational, chronic or gynecological examinations for female employees.

- Expenses for allowances for female employees after giving birth for the first or second time.

- Overtime allowance for female employees who do not take maternity leave for objective reasons, instead continue working is paid according to the current policies; including paying product-based wages for female employees who continue working without taking leave.

b) Enterprises employing ethnic minorities are entitled to a reduction in corporate income tax payable in proportion to the actual extra money spent on ethnic minority employees, if eligible to be accounted for.

Additional expenses for ethnic minorities that are included in deductible expenses are as follows: tuition fees (if any) plus the difference in salary grades (100% salary guaranteed for learners); support money for housing, social insurance and health insurance for ethnic minorities in case they have not been supported by the State according to the rule of law.

c) Enterprises that transfer technology in prioritized fields to local organizations and individuals in areas with difficult socio-economic conditions are entitled to a 50% reduction of the corporate income tax amount payable on the income from technology transfer.



II. LAND TAX INCENTIVES

1. Miễn tiền thuê đất, thuê mặt nước

NO.	Incentives	Legal Grounds	Notes
1	<ul style="list-style-type: none"> - Tax exemption in land rent and water surface rent for the entire term in the following cases: + Investment projects in particularly preferential fields invested in extremely difficult socio-economic areas. + Investment projects on building houses for workers in industrial parks and export processing zones where land is leased by the State or sub-leased from investors who construct and operate the infrastructure in industrial parks or export processing zones in compliance with the planning approved by the authorized agencies. Investors are not allowed to include the cost of land lease in the housing price. + Projects using land to build student dormitories with state budget. Divisions assigned to manage students' use are not allowed to include land rent in housing price. + Agricultural land for ethnic minorities; land for projects on afforestation for protection and reforestation for sea encroachment. + Land for non-business construction of public non-business organizations; land for construction of scientific research facilities of science and technology enterprises if relevant conditions are satisfied (if any), including: land for laboratories, land for construction of technology incubators and science and technology business incubation, land for construction of experimental facilities, land for construction of experimental production facilities. + Land for facilities and construction providing aviation services, except for land for facilities and works for aviation service business. + Agricultural cooperatives that use land for offices, drying yards, and warehouses; to build service establishments directly related to agricultural production, forestry, aquaculture and salt production. + Land for maintenance and repair stations, parking lots (including ticket booths, management and administration areas, and public service areas) in public transport in accordance with the Law on Road Transport. + Land for water supply installation includes: Water extraction and treatment structures, pipelines and their upper network and structures supporting the management and operation of water supply systems (administrative buildings, operation offices, factories, warehouses for materials and equipment). + Land for infrastructure for common use in industrial parks, industrial clusters and export processing zones according to the planning approved by the authorized agencies in Clause 2, Article 149 of the Law of Land. 	<ul style="list-style-type: none"> 1. The Law on Land No. 45/2013/QH13 dated November 29, 2013; 2. Decree NO. 46/2014/ND-CP dated May 15, 2014 by the Government on regulations on collection of land rent and water surface rent. 3. Decree NO. 135/2016/ND-CP dated September 09, 2016 on amendments and supplements to a number of articles of Decrees on land levy, land and water surface rent. 	<ul style="list-style-type: none"> - Enterprises or projects need to fully meet the criteria in alliance with Vietnamese law on enjoying incentives; - Depending on the time of land allocation, land lease/applicable entities, there will be separate detailed instructions on incentives. Investors must ensure their full compliance with the conditions and procedures for applying incentives in accordance with current laws.

NO.	Incentives	Legal Grounds	Notes
2	<p>Exemption for land rent and water surface rent during the basic period of construction approved by related authorities, but not exceeding 03 years from the date of issuance of a decision on land or water surface rent.</p> <p>In case lessees use land for the purpose of agricultural production (growing perennial crops) approved by authorized agencies, the period of basic construction of the orchard shall be exempted from the land rent applicable to each type of plants in compliance with the technical process of planting and taking care of perennial plants prescribed by the Ministry of Agriculture and Rural Development. In case lessees use land for the purpose of agricultural production (growing perennial crops) in projects approved by the authority, the period of basic construction of the orchard shall be exempted from land rent applicable to each individual plant in compliance with the technical process of planting and caring for perennial plants prescribed by the Ministry of Agriculture and Rural Development. Exemption from land rent and water surface rent during the basic construction period shall be implemented in association with the State lease for new land, which means reassigning free land allocation to land rent, excluding other cases of investment in construction, renovation and expansion of production and business establishments and replanting of orchards on land leased by the State.</p>		
3	<p>Exemption from land rent and water surface rent after during basic construction's exemption, specifically as follows:</p> <ul style="list-style-type: none"> - Three (3) years for projects listed as eligible for investment incentives; for new production and business establishments that are relocated according to planning or relocated due to environmental pollution. - Seven (7) years for investment projects in areas with difficult socio-economic conditions. - Eleven (11) years for projects in areas with extremely difficult socio-economic conditions; projects listed in special investment incentives; projects listed in sectors eligible for investment incentives in areas with difficult socio-economic conditions. - Fifteen (15) years for projects on the list of sectors eligible for investment incentives, which are invested in areas with extremely difficult socio-economic conditions; projects listed as special investment incentives, which are invested in areas with difficult socio-economic conditions. 		
4	<p>For investment projects specified in Clause 2, Article 20 of the Law on Investment, the Prime Minister decides that the duration of exemption rent for land and water surface shall not exceed 1.5 times the exemption time for land and water surface rent (Fifteen (15) years for projects listed as eligible for investment incentives that are invested in areas with extremely difficult socio-economic conditions; projects in special investment incentives in areas with difficult socio-economic conditions) and do not exceed the length of the project.</p>		
5	<p>Investors who are leased land by the State to invest in the construction and business of infrastructure of industrial parks, industrial clusters, export processing zones, economic zones, and high-tech zones that are exempted from rent after the approved exemption during basic construction as follows:</p> <ul style="list-style-type: none"> - 11 years if the investment is in a district-level area not on the list of geographical areas eligible for investment incentives according to the law on investment. - 15 years if the investment is in a district-level area on the list of areas with difficult socio-economic conditions according to the law on investment. - The entire lease period if the investment is located in a district-level on the list of areas with extremely difficult socio-economic conditions according to the law on investment. 		

2. Tax reduction on land rent and water surface rent

NO.	Incentives	Legal Grounds	Notes
1	<p>Land rent and water surface rent shall be reduced in the following cases:</p> <p>a) Cooperatives use leased land as production and business premises are entitled to a 50% reduction.</p> <p>b) Renting land or water surface to use for the purposes of agricultural production, forestry, aquaculture, salt making, but suffers from natural disaster or fire causing loss of less than 40% of the output to be considered for reduction of the corresponding rent. With more than 40% damage in loss, rent is exempted for the year of damage.</p> <p>c) Land or water surface leased for production and business purposes other than agriculture, forestry, aquaculture or salt production that suffer from natural disaster, fire or force majeure accidents enjoy 50% reduction during the shutdown.</p>	<p>1. The Law on Land No. 45/2013/QH13 dated November 29, 2013;</p> <p>2. Decree NO. 46/2014/NĐ-CP dated May 15, 2014 by the Government on regulations on collection of land rent and water surface rent.</p> <p>3. Decree NO. 135/2016/NĐ-CP dated September 09, 2016 on amendments and supplements to a number of articles of Decrees on land levy, land and water surface rent.</p>	<p>- Enterprises or projects need to fully meet the criteria in alliance with Vietnamese law on enjoying incentives;</p> <p>- Depending on the time of land allocation, land lease/applicable entities, there will be separate detailed instructions on lease payment method.</p>
2	<p>For investment projects specified in Clause 2, Article 20 of the Law on Investment, the Prime Minister decides that reduction in land rent shall not exceed 1.5 times the reduction prescribed (the regulated reduction rate is 50% of the land rent).</p>		<p>Investors must ensure their full compliance with the conditions and procedures for applying incentives in accordance with current laws.</p>



III. IMPORT AND EXPORT TAX INCENTIVES

According to the current rule of law, there are many incentives for tax exemption, tax reduction and tax refund depending on specific entities. This statement mainly mentions a number of tax exemption incentives that are directly related to the production and business activities of enterprises for investors' references.

NO.	Incentives	Legal Grounds	Notes
1	<p>Tax exemption for goods imported for processing and processed products for export</p> <p>Goods imported for processing and processed products for export under processing contracts are exempt from export tax and import tax as prescribed in Clause 6, Article 16 of the Law on Import and Export Tax, including:</p> <ul style="list-style-type: none"> a) Raw materials, semi-finished products, supplies (including materials for packaging or packaging materials for export products), direct imported components for exported products or directly involve in the processing but not directly convert them into goods, including cases where processors themselves import raw materials, supplies and components for their contract; b) Imported goods are not used for purchase, sale, exchange or consumption but only as samples; c) Imported machinery and equipment as agreed in the contract for processing; d) Finished products imported to be attached to processed products or packed with processed products into synchronized products and exported as shown in the contract or the processing contract appendix and are managed like raw materials and supplies imported for processing; đ) Components and spare parts imported as warranty for exported processed products shown in the contract or the appendix and managed like raw materials and supplies imported for processing; e) Goods imported for processing but allowed to be destroyed in Vietnam and have actually been destroyed. g) Processed products exported abroad or into a free trade zone, exported on the spot to organizations and individuals in Vietnam as designated by customers. 	<ul style="list-style-type: none"> 1. The Law on Export and Import duties NO. 107/2016/QH13 April 06, 2016; 2. Decree No. 134/2016/NĐ-CP dated September 01, 2016 by the Government on Guidelines for the law on Export and Import duties. 3. Decree NO. 18/2021/NĐ-CP dated March 11, 2021 on amendments to some articles of the Government's Decree NO.134/2016/NĐ-CP dated September 01, 2016 elaborating the Law on Export and Import duties. 	<ul style="list-style-type: none"> - Enterprises or projects need to fully meet the criteria in alliance with Vietnamese law on enjoying incentives; - Criteria for objects/products/-goods entitled to incentives shall comply with the current rule of law.
2	<p>Tax exemption for goods exported for processing and imported processed products</p> <p>Goods exported for processing, and processed products imported under contracts exempt from export tax and import tax as prescribed in Clause 6, Article 16 of the Law on Import and Export Tax include:</p> <ul style="list-style-type: none"> a) Raw materials, supplies and components for export. b) Exported goods not used for trading, exchange or consumption but only as samples; c) Exported machinery and equipment as agreed in contracts for processing; d) Products ordered to be processed abroad, when imported back into Vietnam, are exempt from import tax equivalent to the value of exported raw materials, supplies and components for the processed product and are subject to the tax on the remaining value of the product at the import tax rate of the imported processed product. 		

NO.	Incentives	Legal Grounds	Notes
3	<p>Tax exemption for goods imported to produce goods for export Goods imported to produce goods for export are exempt from import tax as prescribed in Clause 7, Article 16 of the Law on Import and Export Tax, including:</p> <ul style="list-style-type: none"> a) Raw materials, supplies (including materials for packaging or packaging for export products), components and semi-finished products directly imported into the composition of exported products or directly involved in the production but not directly made into goods; b) Finished products imported for packaging, labeling, or attaching and assembling into exported products or synchronized and packed along with exported products; c) Components and spare parts imported for warranty for exported products; d) Imported goods not used for trading, exchange or consumption only as samples; d) Goods imported for export production are allowed to be destroyed in Vietnam and have actually been destroyed. 		
4	<p>Tax exemption on imported goods to create fixed assets for entities of investment incentives</p> <ol style="list-style-type: none"> 1. Goods imported to create fixed assets for entities of investment incentives are exempt from import tax as prescribed in Clause 11 Article 16 of the Law on Import and Export Tax. 2. Goods imported for fixed assets for parts of investment projects that are eligible for investment incentives are exempt from import tax for imported goods and are separately allocated and accounted directly for the part subjected to incentives. 3. Investment projects located in areas with investment incentives and not in industries eligible for investment incentives are exempt from tax on goods imported for fixed assets for production of projects eligible for investment incentives. 		
5	<p>Exemption from import tax on raw materials, supplies and components for a period of 5 years Raw materials, supplies and components that cannot be domestically produced and imported for production of the following investment projects are exempt from import tax for a period of 5 years from the date of production commencement as prescribed in Clause 13, Article 16, Law on Export and Import Tax.</p> <ul style="list-style-type: none"> a) Investment projects on the special list of industries and trades with investment incentives. b) Investment projects on the list of areas with extremely difficult socio-economic conditions.. c) Investment projects of high-tech enterprises, science and technology enterprises, science and technology organizations in accordance with the Law on High Technology and the Law on Science and Technology. 		
6	<p>Tax exemption for varieties of plants, animal breeds, fertilizers and pesticides. Seedlings; livestock breeds; fertilizers and plant protection drugs that cannot be produced domestically, and necessary to be imported to directly serve agricultural, forestry and fishery activities are exempt from import tax as prescribed in Clause 12, Article 16 of the Law on Export and Import Tax.</p>		

NO.	Incentives	Legal Grounds	Notes
7	<p>Tax exemption for imported goods directly serving education Specialized imported goods that cannot be produced domestically and directly served for education are exempt from import tax as prescribed in Clause 20, Article 16 of the Law on Import and Export</p>		
8	<p>Tax exemption for goods produced, processed, recycled or assembled in non-tariff zones Goods manufactured, processed, recycled or assembled in a non-tariff zone without the use of raw materials or components imported from abroad, when imported into the domestic market, are exempt from import tax as prescribed in Clause 8, Article 16 of the Law on Import and Export Tax.</p>		
9	<p>Exemption from tax on imported raw materials, supplies and components for the production and assembly of medical equipment Imported raw materials, supplies and components that cannot be produced domestically for the production and assembly of medical equipment of investment projects prioritized for research and manufacture are exempt from import tax for a period of 5 years from the beginning of production according to the provisions of Clause 14, Article 16 of the Law on Import and Export Tax.</p>		
10	<p>Tax exemption for imported raw materials, supplies and components directly serving the production of information technology products, digital contents, and softwares Imported raw materials, supplies and components which cannot be produced domestically and directly serve the production of information technology products, digital contents and softwares are exempt from import tax as prescribed in Clause 18, Article. 16 of the Law on Export and Import Tax.</p>		



SECTION B

VINH PHUC PROVINCE'S PREFERENTIAL POLICIES





NO.	Incentives	Legal Grounds	Notes
1	<p>Policies on investment attraction and supporting business:</p> <ul style="list-style-type: none"> - Support in expenses in profiling records, procedures to introduce locations, detailed planning at the rate of 1/500 of encouraged investment projects in Vinh Phuc (Decision No. 23/2017/QD-UBND dated December 3, 2017 by Vinh Phuc People's Committee; chaired by the Department of Construction); - Support in expenses to profiling direct proposals invested in prioritized fields in Vinh Phuc province (Decision No. 29/2017/QD-UBND dated August 28, 2017 by the People's Committee of Vinh Phuc province; chaired by: Department of Planning and Investment); - Infrastructure rental support for secondary investors to sub-lease land in industrial zones invested with non-budget capital (Decision No. 36/2017/QD-UBND dated October 3, 2017 by Vinh Provincial People's Committee; Chaired by: Management Board of Industrial zones); - Support for enterprises in training and attracting high-quality labours (Decision No. 38/2017/QD-UBND dated October 9, 2017 by the People's Committee of Vinh Phuc province; Chaired by: the Department of Labour, War Invalids & Social Affairs); - Support expenses in advertisement on the province's media about prioritized investments from 2017 to 2025 (Decision No. 42/2017/QD-UBND dated November 1, 2017 by Vinh Phuc People's Committee; Chaired by: the Department of Information & Communication); - Support expenses to assess the environmental impact of direct investment projects prioritized from 2017 to 2025 (Decision No. 53/2017/QD-UBND dated December 22, 2017 by the People's Committee of Vinh Phuc province; Chaired by: Department of Natural Resources and Environment); 	<p>Preferential policy in alliance with Resolution No. 57/2016/NQ-HDND dated December 12, 2016 of the People's Council of Vinh Phuc province on specialized measures to attract investment and support business in Vinh Phuc province (as amended in Resolution No. 43/2017/NQ-HDND dated December 18, 2017)</p>	
2	<p>Policies to support vocational education and job creation:</p> <ul style="list-style-type: none"> - Support junior high schools and high schools in organizing vocational training and creating jobs: 5 million VND/school/year. - Support self - employed work force that create new and stable with projects approved by the authority: Loan up to 100 million VND from the Provincial Employment Settlement Fund. - Support learners after graduating from vocational training institutions and having been working for at least 12 consecutive months at O1 enterprise in Vinh Phuc province. Students graduating from intermediate level are supported 300,000 VND/person/month; College graduates are supported at 500,000 VND/person/month; Graduates of college degrees in gifted programs are supported VND 800,000/person/month. 	<ul style="list-style-type: none"> - Decision No. 1425/QD-UBND dated June 18, 2020 of Vinh Phuc Provincial People's Committee on the adoption of policies in the proposal to develop a resolution of the Provincial People's Council on "Policies to support vocational education and jobs creation in Vinh Phuc province, from 2021 to 2025" - Resolution No. 19/2021/NQ-HDND dated December 21, 2021 on policies to support vocational education in Vinh Phuc province in the 2021-2025 period. 	

NO.	Incentives	Legal Grounds	Notes
3	<p>Policies to support the development of ancillary industries</p> <p>Support in connection, support ancillary enterprises to become suppliers for domestic and foreign customers; promoting foreign investment for ancillary industries;</p> <p>100% funding support for enterprises applying management systems that meet the requirements of global production chains in corporate governance and production management;</p> <p>Support 70% of the training budget to improve the quality of the labour force to meet the requirements of the ancillary industries;</p> <p>Support research, development, applying technology transfer and innovation in trial production of components, spare parts, and materials;</p> <p>100% support in creating and publishing of information on ancillary industries.</p>	<p>Decision No. 23/2019/QĐ-UBND dated June 7, 2019 of the People's Committee of Vinh Phuc province issuing the Regulation on management and use of funds for ancillary industries in Vinh Phuc province.</p>	
4	<p>Policies to encourage investment in agriculture</p> <p>Support 50% but not more than 3 billion VND/project on investments in pig breeding facilities;</p> <p>Support 70% but not more than 2 billion VND/investment project in production of safe vegetables, fruits and flowers with VietGap standards;</p> <p>Support maximum 50 million VND/ha for centralized tree planting and maximum 25 million VND/ha for canopy trees planted as medicinal plants.</p>	<p>Resolution No. 87/2019/NQ-HĐND dated December 11, 2019 on specialized policies to attract investment in agriculture and rural areas in Vinh Phuc province in the period of 2020-2025.</p>	



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Responsible for publishing

Tran Huyen Trang

Director of Vinh Phuc Research, Investment Promotion and Enterprise Support Center.

Responsible for the content

Tran Huyen Trang

Director of Vinh Phuc Research, Investment Promotion and Enterprise Support Center.

Editor: Nguyen Hoang Nam

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INVESTMENT PROMOTION AGENCY

VINH PHUC RESEARCH, PROMOTION INVESTMENT AND ENTERPRISE SUPPORT CENTER

Address : No. 40, Nguyen Trai Street, Dong Da Ward, Vinh Yen City, Vinh Phuc Province.

Tel. : (+84) 211 3862480

Email : investvinhphuc@gmail.com

Website : investvinhphuc.vn