

Revised Land Law

National Assembly

Socialist Republic of Vietnam

Independence - Freedom -
Happiness

Law No. 10/1998/QH10

National Assembly

Socialist Republic of Vietnam

X legislature, 4th session

(from 28th Oct. to 2nd Dec. 1998)

Legislates

Amendment and supplementation of some articles in Land Law

Pursuant to Constitution 1992 of Socialist Republic of Vietnam;

This Law amends and supplements some articles in Land Law passed by the National Assembly on 14th July 1993;

Article 1

Amend and supplement some articles of Land Law,

1. Article 1 is amended and supplemented as follows:

"Land is owned by the people and under the unified management of State. The State shall allocate land to economic organizations, units of the people's armed forces, State bodies, political and social organizations (hereinafter generally called organizations), households, and individuals for stable and long-term use in the form of free of charge or with certain fee. The State shall allow organizations, households and individuals to rent land. The organizations, households and individuals shall be allocated, rented as well as received land use right from others by the State (hereinafter referred to as land users in this Law).

The State allows foreign organizations and individuals to rent land."

2. Article 3 is amended and supplemented as follows:

"1. The State shall protect the legal rights and interests of land users.

2. The organizations, households and individuals who are allocated, rented as well as received land use right from others by the State shall have rights and responsibilities of land users pursuant to regulations of this Law as well as other regulations of legislation

3. Any organizations, households and individuals shall have a right to exchange, transfer, rent, inherit or mortgage the right to use land allocated by the State.

4. The rights and responsibilities of land users shall be exercised during the period for which the land is allocated and rented and in accordance with the purpose for which the land is allocated and rented, pursuant to the provisions of this Law and other regulations of legislation."

3. Article 19 is amended and supplemented as follows:

"All decisions regarding the allocation and renting of land shall be subject to the following basis:

1.They must be made in accordance with masterplan and plans approved by competent State bodies;

2. They must be made in accordance with the demand for land use stated in economic and technical background as well as in the design scheme approved by competent State bodies, or in the application for land allocation and renting."

4. Article 20 is revised and supplemented as follows:

"The State shall allocate land to organizations, households and individuals for use on a stable and long-term basis.

The duration of land allocation for stable and long-term use for planning annual trees and for

aquaculture shall be twenty (20) years, and fifty (50) years for perennial trees. At the expiry of the duration, if land user wishes to continue using the land, the State shall satisfy that wish provided that the land user has strictly obeyed the legislation relating to land during his period of occupancy.

The State shall allocate land to households and individuals for long-term use for the purpose of building residential houses, and shall only revoke the land from them in circumstances stated in Articles 26 and 27 of this Law.

The duration of the allocation of land in other categories for long-term and stable use shall be stipulated by the Government.

The rental duration of land shall be defined in accordance with project approved by the competent State bodies but not exceed 50 years; for the project that needs longer rental duration shall be in pursuance to regulations of Standing Committee of National Assembly; the Government shall decide rental duration for each project but not exceed 70 years."

5. Article 22 is revised and supplemented as follows:

"The State shall allocate land free of charge to the below circumstances:

1. Households and individuals directly engaged in agriculture, aquaculture, salt production whose earnings mainly come from that produce, and are certified by People's Committee of commune, district and ward that the land is being used for the purpose of production of agriculture, forestry, aquaculture, salt production in accordance with land quota allocated by the State.

Households using agricultural land that exceeds the quota before this Law comes into effect shall be allowed to continue using that land with the duration equivalent to a half of the duration of land allocation and shall pay additional tax for that land as regulated by legislation; and at the expiry of this duration, the households shall rent that land.

For land that exceeds the quota after this Law comes into effect, land users shall rent the land.

2. Land shall be used for planting and protecting protective forests and specialized-purpose ones.

3. State bodies, political organizations, political and social organizations, people's armed units shall use land for building working offices and for the purpose of national defense and security;

4. State bodies, political organizations, political and social organizations, people's armed units shall use land for constructions in the areas of economic, cultural, social, scientific, technical and foreign affairs sectors.

5. Land shall be used for public purposes like the constructions of traffic, bridge, pavements, water supply and drainage, river, lake, damp, school, hospital, playing ground for children, square, stadium, airport, port and others as regulated by the Government."

6. Article 22a is supplemented as follows:

"1. State shall allocate land with a certain fee for the below circumstances:

a) Households and individuals that are in need of land for building residential houses;

b) Economic organizations invest in the building of residential houses for sales or rent.

c) Economic organizations invest in building the infrastructure for transferring or renting of land use right attached to that infrastructure;

d) Land shall be allocated with a certain fee in some circumstances in order to create capital for infrastructure construction in accordance with project decided by the Government.

2. The allocation of land with certain fee as stated in clause 1 d of this article shall be ensured the following conditions:

- a) Land users shall have feasibility study approved by State competent bodies;
- b) Land shall be used in accordance with masterplan;
- c) Land users shall have conditions in terms of capital and technique.

Money collected from land allocation and money got for building the structures that is equivalent to the value of allocated land use right shall be sufficiently kept in State budget as regulated by legislation."

7. Article 22b is supplemented as follows:

"State shall rent the land for the below circumstances:

1. Economic organizations using land for production and running business in accordance with projects approved by State competent bodies, except for State-run enterprises who are using land for production of agriculture, forestry, aquaculture, salt production allocated by the State before this Law comes into effect shall not be shifted to rent the land.

State shall revoke land allocated to State-run enterprises using for purpose of production of agriculture, forestry, aquaculture, salt production but do not use or misuse or use in ineffective way in order to allocate or rent to other persons as regulated by this Law;

2. Households and individuals are in need of using land for production and doing business;

3. Households and individuals in need of using land belonged to land fund for public interests of 5% in communes, districts, wards; rental duration of land for circumstances taken place before this Law comes into effect shall be exercised in accordance with land renting contract; if taken place after this Law comes into effect, the rental duration shall not exceed 5 years."

8. Article 22c is supplemented as follows:

"1. Organizations, households and individuals having land allocated with a certain fee or rented by the State shall be provided with an exemption or reduction of fee as following circumstances:

- a) Implementing projects under the preferential investment field;
- b) Implementing investment project in localities which have difficulty in socio-economic conditions or special socio-economic conditions.
- c) Implementing policies on residential houses and lands.
- d) Other circumstances as regulated by legislation.

2. The Government shall make specific regulations on exemption, reduction of fee for land use and renting."

9. Article 78a is supplemented as follows:

"1. Households and individuals having land rented by the State with annual rental payment shall have rights to:

- a) mortgage their own property regarding rental land in Vietnam's credit organizations in order to get loan for production and doing business as regulated by legislation;
- b) transfer their own property regarding rental land; the receivers shall be continuously rented the land and shall have rights stated in this clause.

2. Households and individuals having land rented by State and already made entire rental payment for entire duration shall have rights to:

- a) mortgage value of rental land use right and their own property regarding the rental land during the rental duration in Vietnam's credit organization in order to get loan for production and doing business as regulated by legislation;
- b) transfer rental land use right and their own property regarding rental land; inherit the rental land use right during rental duration as regulated by

legislation; The transferring receivers and inheritors shall have rights stated in this clause;

c) contribute capital equivalent to value of rental land use right and their own property regarding rental land during rental duration for production and business cooperation with domestic organizations and individuals as regulated by legislation;

d) rent the rental land use right during rental duration. This type of renting shall be exercised when that land was invested in accordance with projects or application for rental land and the renters shall use land in right manner.

3. Households and individuals having land allocated by State and already paid for rental land for several years shall have rights as regulated in clause 2 of this article, if the rental duration was partly paid and only 5 years left in debt."

10. Article 78b is supplemented as follows:

"1. Domestic organizations having land allocated by State free of charge shall have right to use land in accordance with assigned purposes and shall not allowed to transfer, exchange, rent land use right as well as mortgage, make capital contribution equivalent to value of land use right, except for circumstances regulated in clause 2 of this Article.

2. Economic organizations having land allocated by State free of charge for the purpose of production of agriculture, forestry, aquaculture, salt production shall be allowed to mortgage their own property regarding land use right in Vietnam's credit organization in order to get loan for production and doing business; shall be allowed to make capital contribution equivalent to the value of land use right for production and business cooperation with domestic and foreign organizations and individuals in order to use continuously for the purpose of production of agriculture, forestry, aquaculture, salt production as well as expansion of processing

and service industry to develop production as regulated by the Government."

11. Article 78c is supplemented as follows:

"Economic organizations having land allocated by State with a certain fee shall have rights to:

1. transfer land use right regarding constructions and infrastructure built in that land;
2. rent land use right regarding constructions and infrastructure built in that land;
3. mortgage value of land use right in Vietnam's credit organizations in order to get loan for production and doing business as regulated by legislation.
4. contribution capital equivalent to value of land use right and their own property regarding that land for production and business cooperation with domestic and foreign organizations and individuals as regulated by legislation."

12. Article 78d is supplemented as follows:

"1. Economic organizations having land allocated by State and make annual rental payment shall have rights to:

- a) mortgage their own property regarding rental land in Vietnam's credit organizations in order to get loan for production and doing business as regulated by legislation;
- b) transfer their own property regarding rental land; the receivers shall be rented continuously by State and shall have rights as stated in this clause;
- c) State-run enterprises shall have right to contribute capital equivalent to value of rental land use right for production and business cooperation with domestic and foreign organizations and individuals as regulated by legislation;

2. Economic organizations having land allocated by State and already paid for rental land for entire duration shall have rights to:

a) mortgage value of land use right and their own property regarding rental land during rental duration in Vietnam's credit institutions in order to get loan for production and doing business as regulated by legislation;

b) transfer rental land use right and their own property regarding rental land during rental duration as regulated by legislation. Transferring receivers shall have rights as regulated in this clause,

c) contribute capital equivalent to the value of rental land use right during rental duration and their own property regarding rental land for production and business cooperation with domestic and foreign organizations and individuals as regulated by legislation;

d) rent the rental land use right during rental duration. This type of renting shall be exercised only when that land was invested in accordance with the project and the second renter shall use that land in right purpose.

3. Economic organizations having land allocated by State and already paid in advance for rental land for several years shall have rights as stated in clause 2 of this article if the rental duration is only 5 years left.

13. Article 18 ® is supplemented as follows:

"The implementation of rights of organizations, households and individuals as stated in article 78a, 78b, 78c, 78d of this Law shall be made procedures in State competent bodies as regulated by legislation."

14. Article 78e is supplemented as follows:

"Economic organizations who have received the legal transfer of land use right from others or have been allocated land with a certain free by State but that fee is not from State budget shall not have to be shifted to rent the land. These organizations shall have rights as regulated in article 78c of this Law.

In case of receiving the transfer of agriculture and forestry land use right as well as the change of using purpose approved by State competent bodies, duration of land use shall be counted on the basis of duration of project approved by State competent bodies but not exceed 50 years."

Article 2

1. Ordinance on rights and obligations imposed for domestic organizations having land allocated and rented by State was passed by Standing Committee of National Assembly on 14th October 1994; the Ordinance which provided amendment and supplementation for some articles set out in Ordinance on rights and obligations imposed for domestic organizations having land allocated and rented by State was passed by Standing Committee of National Assembly on 27th August 1996 shall be abolished since this Law comes into force.

2. This Law comes into effect 01 January 1999.

3. The Government shall revise and supplement detailed guideline documents for Land Law in accordance with this Law.

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This Law was passed by National Assembly of Socialist Republic of Vietnam, X legislature, 4th session on 02nd December 1998.
