

No. 12/2024/ND-CP

Hanoi, February 5, 2024

## DECREE

ON AMENDMENTS TO DECREE 44/2014/ND-CP DATED MAY 15, 2014 OF THE GOVERNMENT ON LAND PRICES AND DECREE NO. 10/2023/ND-CP DATED APRIL 3, 2023 OF THE GOVERNMENT ON AMENDMENTS TO DECREES ON GUIDELINES FOR THE LAW ON LAND

*Pursuant to the Law on Government Organization of June 19, 2015; Law on amendments to the Law on Government Organization and the Law on Organization of Local Governments dated November 22, 2019;*

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

*At the request of the Minister of Natural Resources and Environment;*

*The Government promulgates a Decree on amendments to Decree 44/2014/ND-CP dated May 15, 2014 of the Government on land prices and Decree No. 10/2023/ND-CP dated April 3, 2023 of the Government on amendments to Decrees on guidelines for the Law on Land.*

### **Article 1. Amendments to Decree No. 44/2014/ND-CP dated May 15, 2014 of the Government on land prices**

1. Amendments to clause 1 and supplementation of clause 4 to Article 3:

“1. The land zone to be valued is a set of land parcels to be valued within the same land use project.

“4. Market transfer refers to the transfer of land use rights or the transfer of land use rights, housing, and other property on land when the procedures for taxes, fees, and charges have been completed at the tax authority or registered land registry, or when a transfer contract has been signed between the investor of the real estate project, commercial housing and the customer.”

2. Amendments to Article 4:

#### **“Article 4. Land valuation methods**

1. The comparison method is applied by adjusting prices of land parcels with similar purposes and certain commonalities on factors affecting the land price that have been sold on the market or at auction which already fulfilled financial obligation according to a winning decision. It is based on analyzing and comparing factors affecting land prices after subtracting the value of property on land (if any) to determine the price of the land parcel to be valued.

2. The income-based method is implemented by dividing the average annual net income from a land unit by the average annual interest rate of 12-month term deposits in Vietnamese currency at commercial banks where more than 50% of the charter capital is held by the State or the total number of voting shares in the province for 3 consecutive years up to the end of the latest quarter with data before the valuation date.

3. The surplus-based method is performed by subtracting the estimated total cost from the estimated total revenue of the land parcel or land zone (land use coefficient, building coverage ratio, maximum number of floors of the building) according to the land use planning and detailed construction planning approved by the competent authority.

4. The land price adjustment coefficient method is applied by multiplying the land price coefficient by the land price in the land schedule. The land price coefficient is promulgated by the People's Committee of the province or centrally affiliated city (hereinafter referred to as provinces) by comparing the land price in the land schedule with the popular land price on the market.

3. Amendments to Article 5:

#### **“Article 5. Conditions of application of land valuation methods**

1. The comparison method is applied for valuation in case there are at least 3 land parcels with similar purposes and certain commonalities on factors affecting the land price that have been sold on the market or at auction which already fulfilled financial obligation according to a winning decision (hereinafter referred to as comparable land parcels), except for the cases specified in Points a, b, c and d Clause 4 of this Article.

2. The income-based method is applied for valuation in case the agricultural or non-agricultural land parcel or land zone is not residential land but the land parcel/land zone to be valued does not meet the conditions to apply the comparison method but the income and expenses from land use according to the legal land use purpose on the valuation date are determinable, except for the cases specified in

Points a, b, c and d, Clause 4 of this Article.

3. The surplus-based method is applied for valuation in case the land parcel or land zone to implement an investment project does not qualify for the comparison method or income-based method, but the total development revenue and total development costs of the project can be estimated, except for the cases specified in Points a, b, c and d, Clause 4 of this Article.

4. The land price adjustment coefficient method is applied to determine the land price of a land parcel or land zone as specified in the land schedule issued by the Provincial People's Committee and that falls into one of the following cases:

a) The cases specified in Point a, Clause 4, Article 114 and Clause 3, Article 189 of the Law on Land;

b) Calculation of annual land rent when the State leases land without auctioning land use rights;

c) Calculation of starting price for land use right auction when the State allocates land, leases land in case the land parcel or land zone has been invested in technical infrastructure according to detailed construction planning;

d) Determination of the land price of the land parcel or land zone that needs to be valued, the total value calculated according to the land price in the land schedule for the area subject to land levy or land rent is less than 30 billion VND for central-affiliated cities, less than 10 billion VND for a mountainous and highland provinces, or less than 20 billion VND for the remaining provinces in the following cases:

The cases specified in Point b and point d, Clause 4, Article 114 and Clause 2, Article 172 of the Law on Land;

Calculation of lump-sum land rent for the entire lease term when the State leases land without auctioning land use rights.

dd) Calculation of compensation when the State appropriates land for cases of appropriating many adjacent land parcels with the same purpose of use but not meeting the conditions to apply the comparison method.

5. Comparative land parcels to apply the land valuation methods specified in Clauses 1, 2 and 3 of this Article must be eligible for land users to exercise their rights in accordance with the Law on Land."

4. Supplementation of Article 5a:

**"Article 5a. Identification of factors affecting land prices in the comparison method**

1. Factors affecting land prices in the comparison method include:

a) Location of the land parcel or land zone: closest proximity to administrative centers, shopping malls, markets, health facilities, education and training institutions, sports facilities, parks, amusement parks;

b) Transportation conditions: road width, pavement structure, adjacency to one or multiple pavements;

c) Utilities: water supply, drainage, and electricity availability;

d) Size, dimensions, and shape of the land parcel or land zone;

dd) Construction planning factors: land use coefficient, building coverage ratio, construction boundaries, height limits of buildings, and limits on the number of basement floors allowed to be built according to the detailed construction plan approved by the competent authority (if any);

e) Environmental and security existing conditions:

g) Factors related to production conditions for agricultural land: irrigation system, terrain, and transportation system for production;

h) Other factors affecting land price that are relevant to local conditions, cultural traditions, and customs;

i) Land use term. Land use term is not considered for agricultural land allocated by the State to households and individuals within the agricultural land allocation limit, or agricultural land within the land use right transfer limit;

k) Legality of land use rights.

2. The entity or public sector entity that provides consultancy on land valuation or the interdisciplinary working group assigned with the task of determining specific land prices (hereinafter referred to as land valuation entity) shall propose the factors affecting land prices and the adjustment rates for each factor in the explanatory report for the development of land price options. These options will serve as the basis for the Department of Natural Resources and Environment to submit to the Specific Land Price Appraisal Council for consideration. This will serve as the basis for finalizing the land price options to be submitted to the People's Committee of the competent authority for decision."

5. Supplementation of Article 5b:

## **“Article 5b. Information for applying land valuation methods**

1. Information on land prices, land rents, ground rents to apply the comparison method, surplus-based method and build the land price adjustment coefficient specified in Point b, Clause 1, Article 5e of this Decree includes:

- a) Successful bid price for land use rights where the winning bidder has fulfilled the financial obligations according to the winning auction decision;
- b) Land price that has undergone tax procedures at the tax authority or registered at the land registry for cases of transfer of land use rights;
- c) Land rent, ground rent;
- d) Land transfer price on the market.

2. The information used to apply the land valuation methods specified in Clause 1 of this Article is information from a period not exceeding 24 months before land valuation date, with priority given to information closest to the time of valuation and collected from the following sources:

- a) National land database and price database;
- b) Land registries, organizer of land use rights auction, asset auction organization/unit;
- c) Tax authorities, agricultural and rural development agencies;
- d) Real estate trading floors, real estate enterprises;
- dd) Land valuation entities, valuation companies;
- e) Credit institutions, real estate associations, research institutes/centers;
- g) Directly interview the transferor or transferee for cases that have been transferred on the market.

3. Information on income and expenses from non-agricultural land use for applying the income approach is collected from the following sources:

- a) Income from production and business activities recorded in financial statements or income from land rents or ground rents within 3 consecutive years (from January 1st to December 31st) immediately before the valuation date.

In cases where the income of the land parcel or land zone to be valued is not complete for each year and does not reflect the actual income from land use, information on the land rent and ground rent of at least 3 land parcels shall be collected for comparison;

- b) The costs of generating income from land use as specified in Point a of this Clause shall be determined based on the norms and unit prices published by competent authorities or the construction cost per unit published by the Ministry of Construction. In case there are no norms, unit prices or investment unit cost published by competent authorities, then the basis shall be the information and data on the average actual costs prevailing in the market of at least 3 land parcels closest to the land parcel or land zone to be valued as specified in Point b of Clause 5 of this Article.

4. Information on income and expenses from agricultural land use for applying the income approach shall be collected from the statistical agency, the tax authority, and the agricultural and rural development agency. In case there are no statistical data, no data from the tax authority, the agricultural and rural development agency, then information on actual income and expenses prevailing in the market of at least 3 land parcels closest to the land parcel or land zone to be valued as specified in Point b of Clause 5 of this Article shall be collected, in specific:

- For annual crop land, aquaculture land, salt-making land, and other agricultural land, the data shall be collected from the three (3) consecutive years (from January 1st to December 31st) immediately before the valuation date;
- For perennial crop land, the data shall be collected from at least three (3) consecutive harvests before the valuation date;
- For forest land for production and industrial crop land, the data shall be collected from one (1) harvesting cycle before the valuation date, in accordance with the regulations of relevant laws.

5. When applying comparison method or surplus-based method, the comparable land parcels shall be selected in the following order of priority:

- a) Similar in location, infrastructure conditions, area, size, shape, land use coefficient, building coverage ratio, building height and other factors affecting land price compared to the land parcel to be valued;
- b) Closest to the land parcel or land zone to be valued and not limited by the administrative boundaries of commune, district, or provincial level administrative divisions.

6. The land valuation entity must be truthful, objective and responsible before the law for the accuracy

of the surveyed information when collecting information to apply the land valuation method.

7. The following entities are responsible for providing information to serve the land valuation process, in writing or electronically, within no more than 5 working days of receiving the request from the land valuation entity: land registries, organizers of land use right auctions; asset auction organizers; tax authorities, agriculture and rural development agencies; real estate trading floors, real estate businesses; land valuation entities, valuation companies; credit institutions, real estate associations, institutes and research centers. The land valuation entity is responsible for storing, managing, and using the collected information and data in accordance with the regulations of law.”

6. Supplementation of Article 5c:

**“Article 5c. Procedures and contents of land valuation by comparison method**

1. Survey and collection of information about the land parcel or land zone to be valued, including:

- a) Location, site, land use purpose, area, size, shape, transportation conditions, water supply and drainage conditions, electricity supply, and land use term;
- b) Information about detailed construction plans approved by competent authorities;
- c) Other information and documents related to factors affecting the price of the land parcel or land zone to be valued (if any).

2. Survey and collection of information for comparable land parcels, including:

- a) The value of the comparable land parcel collected in accordance with Clauses 1 and 2 of Article 5b of this Decree, transfer date or auction winning date;
- b) Land use purpose;
- c) Factors affecting land price as prescribed in Article 5a of this Decree.

3. In case the comparable land parcel has property on land, determine the present value of the property on land (if any).

a) For cases where the property on land is a construction work

The present value of the property on land is determined as follows:

$$\text{The present value of the property on land} = \text{Value of new construction on valuation date} - \text{Depreciation value}$$

The method of calculating the value of new construction and the value of depreciation of property on land is carried out in accordance with relevant laws.

In case there are no regulations or instructions on the method of calculating the value of new construction and the depreciation value, the calculation is based on actual information and data collected on the market.

b) In cases where property on land are perennial crops or planted forests

For perennial crops, the present value of property on land is the remaining exploitation value of that perennial crop calculated based on income from harvesting the products of that perennial crop. In case at the time of valuation, perennial crops have not yet reached harvest time, the current value of property on land is determined by the total cost invested in planting and taking care of them up to the valuation date.

For planted forests and industrial crops, the current value of property on land shall comply with relevant laws; in cases where there are no regulations, the current value of property on land is determined by the total costs invested in planting and caring for forests up to the valuation date.

c) The present value of property on land specified in Points a and b of this Clause is calculated at the time of transferring land use rights or winning the auction of land use rights.

4. Determination of the price of the comparable land parcel:

$$\text{Price of the comparative land parcel} = \frac{\text{Value of the comparative land parcel} - \text{The present value of the property on land}}{\text{Comparative land parcel area}}$$

5. Based on the factors affecting land prices specified in Article 5a of this Decree and the characteristics of the land parcel or land zone to be valued, the price adjustment of the comparative land parcel based on percentage (%) follow the principles below:

- a) Take the factors affecting the land price of the land parcel to be valued as the standard to adjust the price of the comparable land parcel;
- b) If the factors of the comparative land parcel are inferior to the land parcel to be valued, the price of the comparative land parcel shall be increased (plus); if the factors of the comparative land parcel are

better than the land parcel to be valued, the price of the comparative land parcel shall be decreased (minus);

c) If the factors of the comparative land parcel are similar to the land parcel to be valued, the price of the comparative land parcel remains the same.

6. The estimated land price of the land parcel to be valued is determined by adjusting the land price of each comparable land parcel due to factors different from the land parcel to be valued and carried out as follows:

Estimated land price of the land parcel or land zone to be valued according to each comparable land parcel	=	Price of each comparative land parcel ±	Price adjustments from factors affecting the land price of each compared land parcel to be valued
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7. The price of the land parcel to be valued is determined by taking the arithmetic average of the estimated land price of the land parcel to be valued according to each comparable land parcel determined in Clause 6 of this Article; the determined price of the land parcel to be valued must ensure that the difference with each estimated land price is not more than 15%.

8. In the case of valuing a non-agricultural land parcel that is not residential land without at least 3 comparable land parcels, determine the price of the land parcel to be valued as for land price in the same location, then adjust the difference in percentage (%) between the price of the type of land to be valued and the land price in the land schedule in the area where the land parcel to be valued is located.

An example of applying the comparison method to determine land prices is in Appendix I issued with this Decree.”

7. Supplementation of Article 5d:

**“Article 5d. Procedures and contents of land valuation by income-based method**

1. Survey and collection of information on income of the land parcel to be valued in accordance with Point a, Clause 3 and Clause 4, Article 5b of this Decree.

2. Survey and collection of information on costs from use of the land parcel to be valued in accordance with Point b, Clause 3 and Clause 4, Article 5b of this Decree, including:

a) Taxes related to land use;

b) Production costs based on norms and unit prices issued by competent authorities or construction cost per unit announced by the Ministry of Construction.

In case there are no norm, unit price or construction cost per unit, take account of statistical data of statistical agencies or information on actual costs prevailing on the market in accordance with Point b Clause 3, Article 5b of this Decree.

3. Determination of average annual net income:

Average annual net income	=	Average annual income	-	Average annual expenses
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Where:

The average annual income is calculated as the average of income, collected in Clause 1 of this Article. For non-agricultural land, the average annual income is calculated as the average of income from production and business activities or land rents and ground rents over a period of consecutive 3 years (calculated from January 1 to December 31) prior to the valuation date.

In case the information about the income of the land parcel to be valued is incomplete each year and does not accurately reflect the actual income from land use, the average annual income of the land parcel to be valued is equal to the land rent or ground rent for a year, which is determined following the procedures and contents of land valuation by comparison method specified in Clauses 5, 6 and 7, Article 5c of this Decree.

The average annual cost is calculated as the average of expenses, collected in Clause 2 of this Article.

4. Determination of the value of the land parcel to be valued:

Value of land parcel to be valued	=	$\frac{\text{Average annual net income}}{\text{Average savings deposit interest rate}}$
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The average annual interest rate of 12-month term deposits in Vietnamese currency at commercial banks where more than 50% of the charter capital is held by the State or the total number of voting shares in the province for 3 consecutive years up to the end of the latest quarter with data before the

valuation date.

Particularly for non-agricultural production and business land used for a limited period of time, the average savings deposit interest rate is adjusted according to the following formula:

$$\text{Interest rate adjusted by term} = \frac{r \times (1 + r)^n}{(1 + r)^n - 1}$$

Where: n is the remaining land use term of the land parcel to be valued (in years) in case of lump-sum payment of the land rent for the entire lease period.

5. Determination of price of the land parcel to be valued:

$$\text{Price of land parcel to be valued} = \frac{\text{Value of land parcel to be valued}}{\text{Area of land parcel to be valued}}$$

In cases where the land parcel to be valued has property built on it to put into production and business, after determining the value of the land parcel and property on land, it is necessary to minus the present value of property on land as prescribed in Clause 3, Article 5c of this Decree.

6. Commercial banks where more than 50% of the charter capital is held by the State or the total number of voting shares in the province shall provide information on average savings deposit interest rates specified in Clause 4 of this Article in writing within no more than 5 working days after receiving such a request from the land valuation entity to determine the land price according to the income-based method.

An example of applying the income-based method to determine land prices is in Appendix II issued with this Decree.”

8. Supplementation of Article 5dd:

**“Article 5dd. Procedures and contents of land valuation by surplus-based method**

1. Survey and collection of information about the land parcel and land zone to be valued; information on land use planning, detailed construction planning or general site planning, permission to change land use purposes and construction regulations approved by competent authorities to determine the highest land use efficiency.

2. Estimation of total development revenue of the land parcel or land zone

a) Total development revenue of the land parcel or land zone is determined on the basis of the estimated transfer price or rent, fluctuations in the transfer price or rent during the project implementation period and other factors that form revenue, including: sales duration, sales date, sales rate, occupancy rate;

b) Estimation of the transfer price or rent to determine the total development revenue of the land parcel or land zone is done using the comparison method as for the land parcel or land zone to be valued that has property built on it according to the approved detailed construction planning or general site planning;

c) Estimation of fluctuations in the transfer price or rent is based on data from statistical agencies or real estate market authorities or data on transfer prices and rents on the market;

d) Based on the actual situation in the province, the Department of Natural Resources and Environment shall take charge and coordinate with relevant departments and agencies in providing expert guidance to the People’s Committee of province in stipulating specific regulations on other factors forming the revenue specified in Point a of this Clause.

In case the People's Committee of province has not stipulated other factors that form revenue, the land valuation entity shall propose the sales duration, sales date, sales rate, occupancy rate in their explanatory report on developing land price options as a basis for the natural resources and environment agency to submit to the Specific Land Price Appraisal Council for consideration and agreement as a basis for completing the land price options to submit to the People's Committee at the relevant level.

3. Estimation of total development cost of the land parcel or land zone

a) Construction costs to determine land prices in this Decree, including: the cost of building technical infrastructure, social infrastructure, housing construction, and other construction works; equipment cost; construction investment consulting cost; project management cost, and a number of other cost items as prescribed in the construction cost per unit (if used).

In cases where the land parcel or land zone to be valued has an investment project on it to build and sell housing for sale or for combined sale and lease, and their land use rights are transferred in the form of subdivision or sale of land parcels, then the housing construction cost is not included in the construction costs;

- b) Business costs include: advertising, sales, and operating management costs calculated as a percentage of revenue in accordance with the local general level;
- c) The investor's profit (including cost of equity and cost of debt) is calculated as a percentage of the construction costs specified in Point a of this Clause;
- d) Total development cost of the land parcel or land zone specified in this Clause do not include the cost of compensation, support, and resettlement according to the plan approved by the competent authority;
- dd) Based on the actual situation in the province, the Department of Natural Resources and Environment shall take charge and coordinate with relevant departments and agencies in providing expert guidance for the People's Committee of province in stipulating specific regulations on construction duration, construction progress; advertising and sales cost; operating management cost; investor profits.

In case the People's Committee of province has not stipulated the construction duration, construction progress; advertising and sales cost; operating management cost; investor profits, the land valuation entity shall propose them in their explanatory report on developing land price options as a basis for the natural resources and environment agency to submit to the Specific Land Price Appraisal Council for consideration and agreement as a basis for completing the land price options to submit to the People's Committee at the relevant level.

#### 4. Determination of total construction cost:

a) Construction costs according to detailed construction planning or general site planning approved by a competent authority. The determination of construction investment costs specified in Point a, Clause 3 of this Article is carried out in accordance with the law on construction.

b) Estimation of total construction cost is based on the following order of priority:

The construction estimate that has been appraised by a specialized construction agency in accordance with the construction law.

The construction estimate that has been calculated based on norms and unit prices issued and announced by competent authorities and have been independently appraised by a consulting agency.

The construction cost per unit published by the Ministry of Construction.

c) In case there is no basis specified in point b of this clause, the land valuation entity shall information on the common actual costs of at least 3 similar projects with the closest distance to the land parcel or land zone to be valued in accordance with Clause 5, Article 5b of this Decree and propose them in their explanatory report on developing land price options as a basis for the natural resources and environment agency to submit to the Specific Land Price Appraisal Council for consideration and agreement as a basis for completing the land price options to submit to the People's Committee at the relevant level.

5. The estimation of revenues and costs of the land parcel or land zone is made according to each year of project implementation and must be discounted to the present value on the land valuation date. The estimation of total development revenue and total development cost of the land parcel or land zone is done according to the following formula:

$$\begin{aligned} \text{Tổng doanh thu phát triển} &= \sum_{i=1}^n \frac{TR_i}{(1+r)^i} \\ \text{Tổng chi phí phát triển} &= \sum_{i=1}^m \frac{C_i}{(1+r)^i} \end{aligned}$$

Where:

TR<sub>i</sub> is the project's revenue in year i.

C<sub>i</sub> is the project's cost in year i.

r is the discount rate calculated based on the average medium-term loan interest rate (from 1 year to 3 years) in Vietnamese currency at commercial banks where more than 50% of the charter capital is held by the State or the total number of voting shares in the province for 3 consecutive years up to the end of the latest quarter with data before the valuation date to implement real estate investment and business projects.

n is the number of sales years of the project (1, 2, ..., n).

m is the number of years of construction of the project (1, 2, ..., m).

6. Determination of the price of the land parcel or land zone to be valued

The value of the land parcel or land zone to be valued is determined according to the following formula:

$$\text{Value of land parcel or land zone to be valued} = \text{Total development revenue} - \text{Total development cost}$$

The price of the land parcel or land zone to be valued is determined according to the following formula:

$$\text{Price of land parcel or land zone to be valued} = \frac{\text{Value of land parcel to be valued}}{\text{Area of land parcel to be valued}}$$

7. If the land zone has a land allocation area (collection of land levies) and a land lease area (collection of land rents), the price of the land parcel to be valued evaluated as prescribed in Clause 6 of this Article is determined according to total development revenue and total development cost of each type of land area (land allocation area or land lease area).

The allocation of technical infrastructure construction cost according to each type of area is carried out according to the following formula:

$$\text{Technical infrastructure construction cost for the land allocation area} = \frac{\text{Total technical infrastructure construction cost of the project}}{\text{Total land allocation area and land lease area}} \times \text{Land allocation area}$$

$$\text{Technical infrastructure construction cost for the land lease area} = \frac{\text{Total technical infrastructure construction cost of the project}}{\text{Total land allocation area and land lease area}} \times \text{Land lease area}$$

Where: The total technical infrastructure construction cost of the project is determined in accordance with Clause 4 of this Article.

8. Commercial banks where more than 50% of the charter capital is held by the State or the total number of voting shares in the province shall provide information on average medium-term lending interest rates specified in Clause 5 of this Article in writing within no more than 5 working days after receiving such a request from the land valuation entity to determine the land price according to the surplus-based method.

An example of applying the surplus-based method to determine land prices is in Appendix III issued with this Decree.”

9. Supplementation of Article 5e:

**“Article 5e. Procedures and contents of land valuation by land price adjustment coefficient method**

1. Develop land price adjustment coefficient

a) For the cases specified in Points a, b, c and d, Clause 4, Article 5 of this Decree, the financial agency shall take charge, develop and submit to the Provincial People's Committee to decide and announce the annual price adjustment coefficients after consulting the People's Council at the same level. Where necessary, the Provincial People's Committee decides to adjust the issued land price adjustment coefficients to suit the actual situation of local land prices.

The development and adjustment of the land price adjustment coefficients specified in this Point shall comply with the law on collection of land levies and land rents.

b) For the cases specified in Point dd, Clause 4, Article 5 of this Decree, the natural resources and environment agency shall provide expert guidance for the People's Committee at relevant level to impose the land price adjustment coefficient for each project or area.

2. The procedures and contents of determining the land price adjustment coefficient specified in Point b, Clause 1 of this Article:

a) Survey and collect information about each of land parcels to be valued according to land location, specified in the land schedule, including: location, area, land type and term of use, land price in the land schedule.

b) Survey and collection land prices of at least 3 land parcels in accordance with clause 1 and clause 2 Article 5b of this Decree for each land location.

In case the land parcel has property thereon, the value of the property on land shall be deducted to

determine the price of the land parcel in accordance with Clauses 3 and 4, Article 5c of this Decree.

c) Determine the prevailing land price on the market for each land location:

Release statistics on market land prices for each land location for the information collected in accordance with Point b of this Clause and determine the prevailing land price on the market for each land location.

In case the land price on the market focuses on a price range, the prevailing land price on the market for each land location is determined by taking the arithmetic average of the land prices at that land location.

d) Determine the land price adjustment coefficient

The land price adjustment coefficient is determined for each land location by dividing the prevailing land price on the market by the land price in the land schedule at that land location.

3. The price of the land parcel to be valued at each land location is determined as follows:

$$\text{Price of land parcel to be valued} = \frac{\text{Land price in the land schedule of the land parcel to be valued}}{\text{Land price in the land schedule of the land parcel to be valued}} \times \text{Land price adjustment coefficient}$$

10. Amendments to Article 15:

#### **“Article 15. Imposition of specific land prices**

1. Pursuant to the land valuation rules prescribed in Clause 1, Article 112 of the Law on Land, conditions for applying the land valuation method specified in Clause 1, Clause 2, Clause 3 and Point dd Clause 4 Article 5 of the Decree, and appraisal results of land price options given by the Specific Land Price Appraisal Council, the Provincial People's Committee (or the District People's Committee under the authorization of the Provincial People's Committee) shall impose specific land prices in accordance with the Law on Organization of Local Government.

2. The specific land price serves as a basis for the cases prescribed in Clause 4 Article 114, Clause 2 Article 172 and Clause 3 Article 189 of the Law on Land; and starting prices at land use right auction when the State allocates levied land or leases out land and collect the rent in a lump sum.

3. The natural resources and environment agency shall assist the People's Committee at the same level in determining specific land prices specified in Clause 1 of this Article.

4. Agencies, organizations, and persons with the authority to determine, appraise, and impose specific land prices shall apply principles and methods of land valuation, procedures for determining specific land prices, appraise and impose specific land prices as prescribed in this Decree; and are not responsible for other matters that have been previously appraised, approved, imposed, approved or resolved by competent agencies or persons.

5. The land valuation entity shall take responsibility for the accuracy and completeness of the information to apply the land valuation methods; comply with land valuation principles and methods, land valuation procedures specified in this Decree; ensure their independence, objectivity, and honesty in land price valuation consulting activities; ensure compliance with professional ethics of valuers within their organization; take legal responsibility for the results of consulting on land price valuation.”

11. Amendments to Article 16:

#### **“Article 16. Procedures for specific land price valuation**

1. The procedures for determining specific land prices specified in Clause 1, Article 15 of this Decree are implemented according to the following regulations:

a) Prepare specific land valuation documents;

b) Collect, synthesize, and analyze information about the land parcel and information to apply the land valuation method specified in Article 5b of this Decree; apply the land valuation method;

c) Formulate an explanatory report for the development of land price options, a draft statement on land price options;

d) Appraise land price options;

dd) Complete the land price option documentation and submit it to the People's Committee at the relevant level for decision;

e) The People's Committee at the relevant level imposes the land price.

2. The land price option documentation submitted to the People's Committee at the relevant level includes:

a) Proposal on land price options from the natural resources and environment agency;

- b) Explanatory report for the development of land price options that has been received, edited, and completed according to the land price option appraisal of the Specific Land Price Appraisal Council;
- c) Land price option appraisal of the Specific Land Price Appraisal Council;
- d) Minutes of meetings of the Specific Land Price Appraisal Council.”

12. Amendments to Article 17:

**“Article 17. Preparations for land valuation, selection of the organization providing consultancy on specific land valuation**

1. The natural resources and environment agency prepares specific land valuation documents including the following:

- a) Purpose of land valuation, valuation time, and budget estimates;
- b) Decision on land allocation, land lease, permission to change land use purpose, recognition of land use rights, permission to change form of land lease with annual payment to land lease with lump-sum payment for the entire lease term, extension or adjustment of land use term, adjustments of detailed construction planning;
- c) Other legal documents related to the land parcel or land area to be valued.

2. Based on specific land valuation documents, the natural resources and environment agency selects an organization providing consultancy on specific land valuation according to legal regulations on bidding. It is unable to select an organization providing consultancy on specific land valuation, a public sector entity that provides consultancy on land valuation shall be tasked to conduct the specific land valuation or an interdisciplinary working group shall be established to value the land.

The interdisciplinary working group which is established by the People’s Committee at the relevant level that is authorized to impose specific land prices is composed of: a representative of the leader of the natural resources and environment agency as the group leader and a representative of the leader of the leader of the finance agency as the deputy group leader, representatives of construction, planning and investment agencies at the same level, a representative of the leader of the People’s Committee of the commune where the land is located and other members decided by the People’s Committee at the relevant level. Members of the interdisciplinary working group are not allowed to participate as members of the Specific Land Price Appraisal Council.

3. Funding for the activities of the interdisciplinary working group is financed by the state budget according to current budget decentralization; and is included in the annual budget estimates of the natural resources and environment agency and is used in accordance with law.”

13. Supplementation of Article 17a:

**“Article 17a. Collection, synthesis, analysis of information about land parcels and information to apply land valuation methods; formulation of explanatory report on land price options**

1. The collection and synthesis of information about land parcels and information to apply land valuation methods specified in Clause 1, Clause 2, Clause 3 and Point dd Clause 4 Article 5 of this Decree are carried out according to Form No. 01, Form No. 02 of Appendix IV issued with this Decree.

2. The land valuation entity formulates an explanatory report on land price options using Form No. 03 of Appendix IV issued with this Decree.

3. If a land valuation entity is hired or a public sector entity that provides consultancy on land valuation is tasked to value the land, a land valuation certificate using Form No. 04 of Appendix IV issued together with this Decree shall be drawn up and sent to the natural resources and environment agency.

4. The natural resources and environment agency shall check the completeness of the content of the explanatory report on land price options specified in Clause 2 of this Article; and formulate a draft statement on land price options.

5. The natural resources and environment agency shall submit to the Specific Land Price Appraisal Council specific land price option documents, including:

- a) Written request for appraisal of land price options;
- b) Draft statement on land price options;
- c) Draft explanatory report for the development of land price options;
- d) Specific land valuation documents.”

14. Supplementation of Article 17b:

**“Article 17b. Specific Land Price Appraisal Council**

1. The People’s Committee at the relevant level decides to establish a specific Land Price Appraisal

Council in the form of a standing Council or a case-by-base Council in accordance with the actual situation in the locality, the Council is composed of the following:

- a) The President of People's Committee as the President of the Council;
- b) The head of the financial agency at the same level shall as Deputy President of the Council;
- c) The representative of the financial agency's leadership is the permanent representative of the Specific Land Price Appraisal Council;
- d) Representative leaders of following agencies: natural resources and environment agency, construction agency, planning and investment agency, tax agency at the same level, leaders of the People's Committee of lower level where the land is located, and other members appointed by the People's Committee at the relevant level. The People's Committee at the relevant level may invite representatives of organizations providing consultancy on land valuation or experts on land prices to participate as members of the Council.

The representative of the organization providing consultancy on land valuation participating in the Council is a person who is qualified to provide consultancy on land valuation and does not work for an organization hired to determine specific land prices. Land price experts participating in the Council are people with at least 5 years of experience working in one of the fields of land finance, price management, land management, price appraisal and do not work for the agencies prescribed in this point.

2. The financial agency acts as the standing agency of the Specific Land Price Appraisal Council.

3. Based on the actual situation in the locality, the President of the Council decides to establish a supporting team of the Specific Land Price Appraisal Council (if necessary), including: a representative of the financial agency at the same level as the team leader; representatives of natural resources and environment, construction, planning and investment, tax agencies at the same level and other members decided by the President of the Council.

The President of the Council shall execute operation of the supporting team of the Specific Land Price Appraisal Council. The supporting team of the Specific Land Price Appraisal Council shall make preparations as assigned to propose or report them to the Specific Land Price Appraisal Council for consideration at the land price option appraisal meeting. Funding for the activities of the Specific Land Price Appraisal Council and their supporting team is financed by the state budget according to current budget decentralization; and is included in the annual budget estimates of the financial agency and is used in accordance with law.

4. Procedures for operation of the Specific Land Price Appraisal Council

a) Within no more than 3 working days of receiving the land price options, the standing agency of the Council sends the documentation on land price options to Council members for comments into the land price options;

b) Within no more than 05 working days of receiving the land price options, Council members must send their written opinions to the Council's standing agency;

c) Within no more than 15 working days of sending the document soliciting opinions of Council members on the land price options, the Council's standing agency synthesizes the opinions of the Council members and reports them to the President of the Council on the organization of Council meetings;

d) Within no more than 10 working days of receiving the report from the standing agency of the Council, the President of the Council decides to organize a meeting to appraise land prices;

dd) The land price appraisal meeting is conducted when at least two-thirds (2/3) of the Council members attend the meeting, d) The land price appraisal meeting is conducted when at least two-thirds (2/3) of the Council members attend the meeting, including the President of the Council (or Deputy President of the Council as authorized by the President), representative of the standing agency of the Council; representative of the natural resources and environment agency and representative of the land valuation entity;

e) The Specific Land Price Appraisal Council works independently, objectively, according to the principle of collective leadership, under the majority rule; discuss in public discussion and vote to approve land price appraisal meeting minutes. The Council reaches a conclusion according to the opinion of the majority of the Council members present who voted and approved at the meeting. In the event of a tie vote, the President of the Council (or the Vice President as authorized by the President) shall cast the deciding vote. Members of the Council have the right to reserve their opinions if they do not agree with the conclusion reached by the Council.

5. The Specific Land Price Appraisal Council appraises the land price options according to the following contents:

a) Completeness and validity of land valuation documents;

- b) Compliance with land valuation principles;
- c) Decision on application of land valuation methods proposed by the land valuation entity;
- d) Conformity in the adjustment ratio of factors affecting land prices between the comparable land parcel and the land parcel to be valued in case of applying the comparison method; conformity in sales duration, sales date, sales rate, occupancy rate, fluctuations in the transfer price or rent, construction duration, construction progress; advertising and sales cost; operating management cost; investor profits, common actual costs of similar projects in the case of applying the surplus-based method;
- dd) Suitability, legality, and completeness of the information collected.

6. The standing agency of the Specific Land Price Appraisal Council sends the written appraisal of land price options and the meeting minutes of the Specific Land Price Appraisal Council to the natural resources and environment agency to complete the land price options, and then submit them to the People's Committee at the same level for decision."

15. Supplementation of Article 17c:

**"Article 17c. Completeness of the land price option documentation and submit it to the People's Committee at the relevant level for further imposition**

1. After receiving the written appraisal of land price options and the meeting minutes of the Specific Land Price Appraisal Council regarding consensus on the land price option, the natural resources and environment agency shall submit it to the People's Committee at the same level for decision.

In case the appraisal document of the Specific Land Price Appraisal Council requires further amendments to the land price options, the natural resources and environment agency shall request the land valuation entity to explain and complete the explanatory report on development of land price options and the land valuation certificate; complete the land price option documentation as requested by the Specific Land Price Appraisal Council before submitting it to the People's Committee at the same level for decision.

2. The natural resources and environment agency shall store all specific land valuation results in the locality. The Department of Natural Resources and Environment shall synthesize and report to the Ministry of Natural Resources and Environment on specific land valuation results in the province/city before January 5 every year."

16. Annul Article 18.

17. Amendment to clause 2 Article 20:

"2. Individuals may only practice their consultancy on land valuation in organizations providing consultancy on land valuation if they:

- a) obtain a land valuation certificate issued in accordance with the land law; or
- b) obtain a price appraiser card issued in accordance with the law on prices."

**Article 2. Supplementation or annulment of certain phrases in Decree No. 10/2023/ND-CP dated April 3, 2023 on amendments to Decrees on guidelines for the Law on Land**

1. Supplementation of phrase "or multiple land parcels to implement investment projects using land" after the phrase "applicable to each single parcel" at Point c, Clause 3, Article 17a of Decree No. 43/2014/ND-CP, amended by Clause 3, Article 1 of Decree No. 10/2023/ND-CP.

2. Amendment to clause 9 Article 1:

**"Article 68a. Conditions and criteria for grant of permission to repurpose rice, protection forest or special-use forest land with the aim of executing investment projects**

1. These investment projects need to obtain approval of investment policies or certificates of investment registration pursuant to law on investment.
2. These investment projects have to conform to the district-level land use planning schemes, and be on the list of district-level annual land use plans that is approved in accordance with law.
3. There are compensatory afforestation plans or written notifications of discharge of obligations to pay for compensatory afforestation in accordance with forestry law in case of repurposing protection forest or special-use forest land; there are topsoil use plans in accordance with law on crop production in case of repurposing arable land dedicated to rice cultivation.
4. There is preliminary environmental impact assessment or environmental impact assessment conducted under law on environmental protection (if any).
5. Agencies and persons that have authority to appraise and approve policies on repurposing of protection forest land, special-use forest land or rice cultivation land shall bear responsibility for implementation of those specified in clause 2 and 3 of this Article; shall disclaim all responsibility for

others appraised, approved, decided, approved or handled by competent agencies or persons before.”

### **Article 3. Transitional regulations**

1. In cases where a land price option was submitted by the natural resources and environment agency to the People's Committee at relevant level to impose specific land prices before the effective date of this Decree, the People's Committee shall issue has the authority to impose specific land prices according to the submitted options; the provisions of this Decree do not apply.

2. In cases where there has been a decision to allocate land, lease land, or allow change of land use purpose, to allow the conversion from land lease with annual payment to land lease with lump-sum payment for the entire lease term, to extend land use term, to adjust land use term, to adjust detailed planning in accordance with the land law and other relevant laws that are not subject to land appropriation due to violations of land law before the effective date of this Decree but the specific land price has not been imposed, the following shall be carried out:

a) For cases of land allocation or land lease in accordance with the Land Law No. 24-L/CTN, Land Law No. 13/2003/QH11 and guiding documents, and the land has been handed over in reality before January 1, 2005, the land price to calculate land levies or land rents shall apply the land schedule 2005 published by the Provincial People's Committee.

b) In cases of land allocation or land lease in accordance with the Land Law No. 24-L/CTN, Land Law No. 13/2003/QH11 and guiding documents, and the land has been allocated in reality from January 1, 2005 to before the effective date of this Decree, the land price is determined at the land handover date.

c) In cases where there has been a decision to allocate land, lease land, allow change of land use purpose, or change the form of land lease with annual payment to land lease with lump-sum payment for the entire lease term, extend land use term, adjust land use term, adjust detailed construction planning (in this point called decision) accordance with the provisions of Land Law No. 45/2013/QH13 and guiding documents, the competent agency has not submitted to the competent People's Committee the land price options, the land price is determined on the decision issuance date.

d) If specific land prices for the cases specified in Points b and c of this Clause are not determined using the land price adjustment coefficient method in accordance with law on land prices before the effective date of this Decree, the comparison method, income-based or surplus-based method as prescribed in this Decree will apply.

dd) The additional amount of money a land user must pay for the period of time not including land levies or land rents in the cases specified in Points a, b and c of this Clause shall comply with the Decree of the Government on collection of land levies and land rents.

3. The People's Committee at the relevant level shall review the cases specified in Points a, b and c, Clause 2 of this Article to impose land prices.

### **Article 4. Implementation provisions**

1. This Decision comes into force from the date of signing.

2. Annul clause 4 Article 3 of Decree No. 01/2017/ND-CP dated January 6, 2017 of the Government on amendments to certain Decrees on elaboration of the Law on Land.

3. Annul the provisions on the application of land price adjustment coefficients specified in Point c, Clause 3, Article 3, Point b, Clause 1, Article 4, Decree No. 45/2014/ND-CP dated May 15, 2014; Clause 5, Article 4, Point a, Clause 4, Article 12 of Decree No. 46/2014/ND-CP dated May 15, 2014 of the Government; Clause 1, Article 2, Clause 1, Article 3, Decree No. 135/2016/ND-CP dated September 9, 2016 of the Government on amendments to Decrees regulating the collection of land levies and land rents, water surface rents; Clause 1, Article 3, Decree No. 123/2017/ND-CP dated November 14, 2017 of the Government on amendments to Decrees regulating the collection of land levies and land rents, water surface rents.

4. Annul Clause 1, Article 2 of Decree No. 136/2018/ND-CP dated October 5, 2018 of the Government on amendments to Decrees related to business investment conditions in the field of natural resources and environment.

### **Article 5. Implementation**

Ministers, Heads of ministerial-level agencies, Heads of Governmental agencies, Presidents of People's Committees of provinces and central-affiliated cities, and relevant entities shall implement this Decree./.

**ON BEHALF OF THE GOVERNMENT  
PP. PRIME MINISTER  
DEPUTY PRIME MINISTER**

**Tran Hong Ha**