

**THE GOVERNMENT****THE SOCIALIST REPUBLIC OF VIETNAM**  
**Independence - Freedom - Happiness****No. 54/2015/ND-CP***Hanoi, June 8, 2015***DECREE****Providing incentives for water conservation activities<sup>(\*)</sup>**

*Pursuant to the December 25, 2001 Law on Organization of the Government;*  
*Pursuant to the June 21, 2012 Law on Water Resources;*  
*At the proposal of the Minister of Natural Resources and Environment,*  
*The Government promulgates the Decree providing incentives for water conservation activities.*

## Chapter I

## GENERAL PROVISIONS

**Article 1.** Scope of regulation

This Decree provides capital borrowing and tax exemption and reduction incentives for water conservation activities.

**Article 2.** Subjects of application

This Decree applies to state agencies, organizations, households and individuals involved in water conservation activities within the territory of the Socialist Republic of Vietnam.

**Article 3.** Interpretation of terms

1. Water conservation means the application of measures and technologies to recirculate or reuse water, collect rainwater and turn brackish water and saline water into freshwater for use, or to reduce the water volume used for production, business and residential activities.

2. Water conservation product means a product, equipment or technology that consumes less water than the water consumption norm set by competent state agencies in the same activities and conforms with national technical regulations issued by competent state agencies.

3. Water reuse means the reuse of wastewater already treated up to national technical regulations relevant to the purposes of reuse.

4. Water recirculation means the process of re-using water for initial use purposes.

**Article 4.** Principles for incentives

1. Organizations, households and individuals that conduct several water conservation activities eligible for incentives shall enjoy the incentives prescribed for such activities as prescribed in this Decree.

2. In case a water conservation activity is eligible for different forms or levels of incentives, organizations, households and individuals may choose the most beneficial ones.

3. Incentives shall not be given to investment in obsolete water conservation equipment and technologies.

<sup>(\*)</sup> *Công Báo Nos 611-612 (21/6/2015)*

**Article 5. Prohibited acts**

1. Making untruthful declaration, falsifying dossiers or committing fraud for enjoying incentives; using incentives for improper purposes.
2. Abusing positions or powers in the implementation of policies on incentives for water conservation activities.
3. Causing difficulties and obstacles to organizations, households and individuals in enjoying incentives.

**Chapter II****CAPITAL BORROWING AND TAX EXEMPTION AND REDUCTION INCENTIVES  
FOR WATER CONSERVATION ACTIVITIES****Article 6. Water conservation activities eligible for incentives****1. Water reuse and recirculation:**

a/ Organizations' building new work items or renovating and upgrading existing ones so as to collect and treat wastewater up to national technical regulations on water quality relevant to the reuse purposes with a capacity of at least 40 m<sup>3</sup>/day, and using at least 80% of the volume of treated wastewater for their activities;

b/ Organizations' building new water recirculation works or renovating, upgrading or making in-depth investment in, existing ones for their activities with a capacity of at least 500 m<sup>3</sup>/day, excluding recirculating cooling systems and other water recirculation systems belonging to production processes and technologies.

c/ Irrigation work-managing and -operating organizations' renovating, upgrading or repairing work items of irrigation systems so as to use water returned to the irrigation systems at the rate of at least 15% of the water volume supplied to the systems.

**2. Collection of rainwater for residential use:**

a/ Organizations' building rainwater collection and storage systems with a capacity of at least 500 m<sup>3</sup> to serve residential activities in border areas, islands and areas facing freshwater scarcity;

b/ Households' and individuals' building rainwater collection and storage systems with a capacity of at least 5 m<sup>3</sup> to serve residential activities in mountainous, ethnic minority and border areas, islands and areas with socio-economic difficulties or particularly socio-economic difficulties or areas facing freshwater scarcity.

**3. Desalination of brackish water and saline water to produce freshwater for residential use:**

a/ Organizations' building works, installing equipment and applying technologies to desalinate brackish water or saline water to produce freshwater for residential use with a capacity of at least 2 m<sup>3</sup>/day, for sea and island areas, or at least 10 m<sup>3</sup>/day, for areas affected by saltwater intrusion;

b/ Households' and individuals' installing equipment and applying technologies to desalinate brackish water or saline water to produce freshwater for residential use with a capacity of at least 0.2 m<sup>3</sup>/day, for sea and island areas, or and 1 m<sup>3</sup>/day, for areas affected by saltwater intrusion;

**4. Manufacture and import of water conservation products, equipment and technologies:**

a/ Organizations' and individuals' manufacturing water conservation products, equipment and technologies meeting water conservation criteria issued by competent state agencies;

b/ Organizations' and individuals' importing domestically unavailable advanced water conservation products, equipment and technologies meeting water conservation criteria issued by competent state agencies.

5. Application of water-conserving irrigation technologies and measures in agricultural production:

Organizations', households' and individuals' applying water-conserving irrigation technologies and measures in agricultural production, meeting water conservation criteria issued by competent state agencies, with a scale of at least 0.5 hectare, for wet rice, or at least 1 hectare, for upland crops.

**Article 7.** Incentives for water reuse and recirculation

Those who conduct water reuse and recirculation activities and fall into the case provided in Clause 1, Article 6 of this Decree will be eligible for:

1. Soft loans in accordance with the law on the State's investment credit.
2. Enterprise income tax exemption or reduction in accordance with the law on taxes.

**Article 8.** Incentives for manufacture and import of water conservation products, equipment and technologies

1. Those who manufacture water conservation products, equipment and technologies provided at Point a, Clause 4, Article 6 of this Decree will be eligible for:

a/ Soft loans in accordance with the law on the State's investment credit;

b/ Enterprise income tax exemption or reduction for the income earned from manufacture of water conservation products, equipment and technologies in accordance with the law on taxes.

2. Those who import advanced water conservation products, equipment and technologies provided at Point b, Clause 4, Article 6 of this Decree will be eligible for import duty exemption or reduction in accordance with the law on taxes.

**Article 9.** Incentives for rainwater collection, desalinization to turn saline water and brackish water into freshwater for residential use, application of water-conserving irrigation technologies and measures in agricultural production

Those who collect rainwater, desalinize saline water and brackish water to produce freshwater for residential use or apply water-conserving irrigation technologies and measures in agricultural production as provided in Clauses 2, 3, and 5, Article 6 of this Decree will be eligible for soft loans in accordance with the law on the State's investment credit.

### Chapter III

#### ORGANIZATION OF IMPLEMENTATION

**Article 10.** Responsibilities of related ministries, sectors and agencies

1. The Ministry of Natural Resources and Environment shall:

a/ Identify and publicize lists of areas facing freshwater scarcity or saltwater intrusion;

b/ Examine and inspect the implementation of incentives for water conservation activities in accordance with this Decree.

2. The Ministry of Science and Technology shall assume the prime responsibility for, and coordinate with the Ministry of Natural Resources and Environment and related ministries and

sectors in, promulgating criteria on water conservation products, equipment and technologies provided in Clause 4, Article 6 of this Decree.

3. The Ministry of Agriculture and Rural Development shall:

a/ Assume the prime responsibility for, and coordinate with the Ministry of Natural Resources and Environment and related ministries and sectors in, promulgating criteria on water-conserving irrigation products, equipment and technologies in agricultural production provided in Clause 5, Article 6 of this Decree;

b/ Assume the prime responsibility for, and coordinate with the Ministry of Natural Resources and Environment and related ministries and sectors in, guiding measures for determining the percentage of return water provided at Point c, Clause 1, Article 6 of this Decree.

4. The Ministry of Finance shall:

a/ Assume the prime responsibility for, and coordinate with the Ministry of Natural Resources and Environment in, elaborating and submitting to the Prime Minister a decision on provision of soft loans for households and individuals having water conservation activities provided in this Decree;

b/ Assume the prime responsibility for, and coordinate with the Ministry of Science and Technology and the Ministry of Natural Resources and Environment in, elaborating and submitting to the Prime Minister a decision on import duty exemption and reduction for households and individuals that import advanced water conservation products, equipment and technologies provided at Point b, Clause 4, Article 6 of this Decree;

c/ Assume the prime responsibility for, and coordinate with the Ministry of Natural Resources and Environment and related ministries and sectors in, guiding the procedures and order of enjoying incentives with regard to soft loans and tax exemption and reduction; direct tax agencies to effect tax exemption and reduction in accordance with this Decree.

**Article 11.** Responsibilities of provincial-level People's Committees

1. To direct, guide, examine and inspect the implementation of policies on incentives for water conservation activities and implementation of such policies in their localities in accordance with this Decree.

2. To annually evaluate and report the results of implementation of this Decree in their localities to the Ministry of Natural Resources and Environment for summarization.

**Article 12.** Effect

1. Organizations, households and individuals that have invested in water conservation activities prior to the effective date of this Decree or enjoyed incentives and supports under other programs are ineligible for incentives in accordance with this Decree.

2. This Decree takes effect on August 1, 2015.

3. Ministers, heads of ministerial-level agencies, heads of governmental-attached agencies, chairpersons of provincial-level People's Committees, and related organizations and individuals shall implement this Decree.-

*On behalf of the Government*  
Prime Minister  
NGUYEN TAN DUNG