

THE GOVERNMENT

SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

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Hanoi, May 15, 2014

DECREE

REGULATIONS ON COLLECTION OF LAND RENT AND WATER SURFACE RENT

Pursuant to the Law on Government organization dated December 25, 2001;

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

Pursuant to the Law on State budget dated December 16, 2002;

Pursuant to the Law on investment dated November 29, 2005;

Pursuant to the Law on Tax administration dated November 29, 2006; the Law on the amendments to the Law on Tax administration dated November 20, 2012;

Pursuant to the Law on Prices dated June 20, 2012;

Pursuant to the Law on issuance of legislative documents dated June 03, 2008;

At the request of the Minister of Finance,

The Government issues the Decree imposing regulations on the collection of land rent and water surface rent

Chapter I

GENERAL PROVISIONS

Article 1. Scope of regulation

This Decree regulates the collection of land rent and water surface rent in these cases:

1. Land leased from the State including land on the surface and the underground portions of the aboveground constructions under the regulations of the Law on Land.
2. Land leased for the State for building underground constructions serving business purposes other than the underground portions of aboveground constructions under the regulations of the Law on Land.

3. Rights to enjoyment of land of the land users liable to the land rents recognized by the State.
4. Land lease terms of the land renters liable to the land rent extended by the State.
5. Switch from land allocation by the State before the effective date of the Law on Land (July 01, 2014) to land leased from the State.
6. Water surface leased from the State.

Article 2. Entities liable to land rent and water surface rent

1. The entities leasing land from the State and paying annual land rents or lump sum land rents are:

- b) Households and individuals using land for the purposes of agricultural production, forestry, aquaculture or salt making.
- b) Households and individuals that wish to continue using the agricultural land beyond the allocation limits prescribed in Article 129 of the Law on Land.
- c) Households and individuals that use the commercial land; land for mineral extraction; land for the production of building materials and ceramics; non-agriculture land.
- d) Households and individuals that use land for the construction of public works serving business purposes.
- dd) Households and individuals that use salt making land to make salt beyond the local limits on land allocation and economic organizations, overseas Vietnamese, foreign-invested enterprises that use land for investment projects on salt making in accordance with the regulations in Clause 1 Article 138 of the Law on Land.
- a) Households and individuals who are not directly involved in agricultural production, forestry, aquaculture, salt making, allocated non-levied land and required to switch over to the land lease in case they use land for farming in accordance with the regulations in Point b Clause 1 Article 142 of the Law on Land; households and individuals using land for farming must and required to switch over to land lease if they change the land use purposes in accordance with the Clause 3 Article 142 of the Law on Land.
- g) Economic organizations, overseas Vietnamese, foreign-invested enterprises using land to carry out investment projects on agricultural production, forestry, aquaculture and salt making; non-agricultural production and business land; land used for building public works serving business purposes; land for the investment projects on houses for lease.
- h) Economic organizations, overseas Vietnamese, foreign-invested enterprises leasing land to invest in underground constructions under the regulations in Clause 2 Article 161 of the Law on Land.

i) Economic organizations, self-financing public service provider, overseas Vietnamese, foreign-invested enterprises using land to build public works.

k) Foreign diplomatic missions using land to build their headquarters.

2. Entities leasing land from the State and paying annual land rents are:

a) Military units using land for the purposes of agricultural production, forestry, aquaculture and salt making or those purposes in combination with the defense and security duties.

b) Economic organizations, households and individuals using land in the rivers, canals and streams for aquaculture purpose in accordance with the regulations in Point b Clause 1 Article 163 of the Law on Land.

c) Overseas Vietnamese and foreign-invested enterprises using land in the rivers, canals and streams for aquaculture purpose in accordance with the regulations in Point c Clause 1 Article 163 of the Law on Land.

3. Organizations, individuals, overseas Vietnamese, foreign-invested enterprises leasing land from the management boards of the hi-tech zones in accordance with the regulations in Clause 2 Article 150 of the Law on Land; the management boards of the economic zones in accordance with the regulations in Clause 3 Article 151 of the Law on Land.

4. Organizations and individuals leasing land from the Airports authorities to build facilities and constructions providing the airline services in the airports and land used for building constructions providing services other than the airline services in accordance with the regulations in Point b Clause 3 Article 156 of the Law on Land.

5. Organizations, individuals, overseas Vietnamese, foreign-invested enterprises leasing water surface from the State which is not prescribed in the Article 10 of the Law on Land.

Article 3. Basis for calculation of land rent and water surface rent

1. The land rents paid by the entities leasing land from the State under the regulations of the Law on land are based on:

a) The leased land area.

b) The land lease term.

c) Unit prices with regard to the annual land rents (hereinafter referred to as annual unit prices); unit prices of the lease term with regard to the lump sum land rents (hereinafter referred to as lump sum unit prices). In case of any land lease auction, the unit price is the successful bid.

d) Methods of payment (the annual land rent or lump sum land rent).

2. The water surface rents paid by the organizations, individuals, overseas Vietnamese, foreign-invested enterprises leasing water surface from the State not prescribed in the Article 10 of the Law on Land are based on:

- a) The leased water surface area.
- b) Water surface use purposes.
- c) Unit prices of the leased water.
- d) Methods of payment (annual water surface rent or lump sum water surface rent).

Chapter II

SPECIFIC PROVISIONS

Section 1: Determination of land rent and water surface rent

Article 4. Unit price of leased land

1. In case of an annual land rent without auction

Annual unit price = rate (%) multiplied by (x) Land price

a) The rate (%) to calculate the unit prices is 1%, except for:

- Land in the urban areas, commercial centers, traffic hubs, residential areas which is extremely profitable to build business premises, the People's Committees of central-affiliated cities and provinces (hereinafter referred to as the People's Committees of provinces) shall provide the rates (%) of the land prices to identify the annual unit prices not more than 3% according to the current conditions of such provinces.

- Land in remote and mountainous areas, islands, regions facing socio-economic difficulties or facing extreme socio-economic difficulties; land used for agricultural production, forestry, aquaculture, salt making; land used as production and business premises of the projects on investment promotions and special investment promotions under the regulations of the laws, the People's Committees of provinces shall provide the rates (%) of the land prices to identify the annual unit prices but not less than 0,5% according to the current conditions of such provinces.

The specific rate (%) is issued according to each area, route conformable with each land use purpose and published by the People's Committee of such province during the implementation.

b) The land prices used for determining the land rents are identified based on the regulations in Clauses 4 and 5 this Article.

2. In case of a lump sum land rent without auctions.

The lump sum unit price is the land price in the land lease term and determined based on the regulations in Clauses 4 and 5 this Article.

3. In case of an auction of right to lease land

a) In case of land lease auction whose land rent is paid annually, the unit price of the leased land is the successful bid in 1 year.

The reserve price used for the auction of the right to lease land whose rent is paid annually is determined based on the regulations in Clause 5 this Article. The successful bids shall be stable in 10 years. The unit price of the leased land shall be adjusted after such 10-year-period expires according to the policies on the collection of land rents with regard to the annual land rent without auction. The adjusted rate must not exceed 30% of the successful bid or the land rent of the previous stable period.

b) In case of land auction whose land rent is paid in lump sum, the unit price of the leased land is the successful bid for the land lease term. The reserve price used for the auction of the right to lease land is determined based on the regulations in Clause 4 this Article.

4. The methods of direct comparison, deduction, income, surplus prescribed in the Decree of the Government shall be applied when:

a) Determining the annual land rents for the first period over which the land rents are stable (hereinafter referred to as stable period); determining the annual land rents and lump sum land rents without auctions; determining the land rents in cases of switch from annual payment to lump sum payment in accordance with the regulations in Clause 2 Article 172 of the Law on Land; determining the land rents when receiving fixtures in accordance with the regulations in Clause 3 Article 189 of the Law on Land; determining annual land rents and lump sum land rents when a state-owned company is equitized, provided the value of leased land is VND 30 billion or higher (in case of central-affiliated cities); VND 10 billion or higher (in case of mountainous provinces); VND 20 billion or higher (in case of other provinces)

b) Determining the reverse prices used for land auctions to lease land in case of lump sum land rents.

5. The method of land price adjustment coefficients shall be applied when:

a) Determining the annual land rents for the first stable period; determining the lump sum land rents without auctions; determining the land rents in cases of switch from annual payment to lump sum payment in accordance with the regulations in Clause 2 Article 172 of the Law on Land; determining the land rents when receiving fixtures in accordance with the regulations in Clause 3 Article 189 of the Law on Land; determining annual land rents and lump sum land rents when a state-owned company is equitized, provided the value of leased land is VND 30 billion or higher (in case of central-affiliated cities); VND 10 billion or higher (in case of mountainous provinces); VND 20 billion or higher (in case of other provinces).

b) Determining the annual unit price when the unit prices of the leased land are adjusted for the next stable period.

b) Determining the reverse prices used for land auctions to lease land in case of annual land rents.

The annual land price adjustment coefficients shall be provided by the People's Committees of provinces and applied to the cases prescribed in this Clause.

6. The Ministry of Finance shall provide guidance on this Article.

Article 5. Determination of unit price of leased land to build underground constructions

1. The rents for the land leased from the State to build underground constructions (other than the underground portions of the aboveground constructions) under the regulations of the Law on Land shall be determined as follows:

a) In case of an annual land rent, the unit price shall not exceed 30% of the annual rent for the surface land having the same use purposes.

b) In case of a lump sum land rent, the unit price shall not exceed 30% of the lump sum rent for the surface land having the same use purposes and lease term.

c) The People's Committees of provinces shall provide the unit prices for the land used for building the underground constructions which are prescribed in Point a and Point b of this Clause and conformable with the local conditions.

2. In case of land used for building the underground constructions attached to the underground portions of the aboveground constructions that the area of the underground constructions exceeds the area of the surface land liable to land rent, the land rents of such differential shall be determined in accordance with the regulations in Clause 1 this Article.

Article 6. Determination of unit prices of leased land with water surface prescribed in Article 10 of Law on Land

1. The unit prices of the leased land with water surface shall be determined as follows:

a) The annual unit prices and lump sum unit prices of the areas without water surface are prescribed in the Article 4 of this Decree.

b) The annual unit prices and lump sum unit prices of the areas with water surface are equal to or higher than 50% of the annual unit prices or lump sum unit prices of the adjacent areas having the same use purposes.

c) The People's Committees of provinces shall provide the specific payments to calculate the land rents mentioned in Point b of this Clause.

2. The Ministry of Finance shall provide guidance on this Article.

Article 7. Water surface rent brackets

1. The rent brackets of the water surface which is not prescribed in Article 10 of the Law on Land and Clause 3 this Article shall be prescribed as follows:

a) Projects using immovable water surface: VND 20,000,000/km²/year to 300,000,000/km²/year.

a) Projects using movable water surface: VND 100,000,000/km²/year to 750,000,000/km²/year.

2. The People's Committees of provinces shall provide the water surface rent to each project based on the water surface rent brackets prescribed in Clause 1 this Article. If the leased sea surface lies on two or more provinces, the People's Committees of such provinces shall decide a consistent water surface rent; in case of disagreement, that shall be reported to the Prime Minister for consideration.

3. The Ministry of Finance shall give instructions on the procedures for the determination and collection of water surface rents and sea surface rents of the projects on the extraction of oil and natural gas in territorial waters and continental shelves in Vietnam.

Article 8. Leased land use purposes

1. Leased land use purposes are determined based on the purposes written in the Decisions on land lease. Such purposes shall be determined based on the Land lease contracts in the absence of Decisions on land lease.

2. In case of any entity using land for the purposes subject to land lease under the regulations of the Law on Land without the Decision on land lease and land lease contract, the land lease purposes to calculate the annual land rent are the actual purposes of using land.

Article 9. Leased land area

1. The leased land area is the area written in the Decisions on land lease. If the area written in the land lease contract exceeds the area written in the Decision on land lease, the leased land area is the area written in the land lease contract.

2. The area liable to land rents is determined by subtracting the area unliable to land rents from the total leased land area under the regulations of the laws.

3. In case of any entity using land for the purposes subject to land lease under the regulations of the Law on Land without the Decision on land lease and land lease contract, the area liable to land rent is the actual area in use.

Article 10. Land lease term.

The land lease term is determined based on the Decisions on land lease, Recognitions for right to enjoyment of land, Decisions on transfer of land, Decisions on switch from land allocation to land lease, Decisions on the extension of the land lease term issued by the competent authorities or Certificates of land ownership.

Article 11. Authorities in charge of determination of annual unit prices and lump sum unit prices

1. The Directors of the Provincial Departments of Taxation shall provide the annual unit prices and lump sum unit price for the organizations, overseas Vietnamese, foreign-invested enterprises; Directors of the Sub-departments of Taxation shall provide the unit prices for the households and individuals based on the specific land prices provided by the People's Committees of provinces, land price brackets, land price adjustment coefficients and rates (%) to determine annual unit prices and lump sum unit prices.

2. In case of disagreement on the unit price between the any land renter and the competent authorities in charge of determination of the unit price, the President of the People's Committees of such province shall give a final decision.

Article 12. Determination of land rent and water surface rent

1. With regard to the annual land rents

An annual land rent is calculated by multiplying the area liable to land rent and the unit price prescribed in Clause 1 Article 4 (without auction of land lease) or in point a Clause 3 Article 4 (with auction of land lease) or in Point a Clause 1 Article 5 (if the land is used for building underground constructions) or in Clause 1 Article 6 (if the land includes water surface) of this Decree.

2. With regard to the lump sum land rents

a) A lump sum land rent is calculated by multiplying the area liable to land rent and the lump sum unit price.

a) A lump sum rent for land with water surface is calculated by multiplying the area liable to land rent and the lump sum unit price for land with water surface.

3. With regard to the water surface lease other than the cases prescribed in Article 10 of the Law on Land

a) An annual water surface rent is calculated by multiplying the leased surface water area and the unit price of the leased water prescribed in the Article 7 of this Decree.

a) A lump sum water surface rent is calculated by multiplying the leased surface water area and the water surface lease term and the unit price of the leased water surface prescribed in the Article 7 of this Decree.

4. Any economic organization buy the legal piece of the land from other organizations or individuals to carry out any investment project conformable with the planning and land-use plan that must change the land use purpose after the receipt and must pay the land rent in accordance with the regulations in Article 57 and Article 73 of the Law on Land shall be dealt with as follows:

a) In case of the legal receipt of the agricultural land from the households and individuals under the regulations of the law on land, the amount that the economic organization pays to buy the land shall be deducted from the land rent payable (in case of the lump sum land rent) or converted into the lease period proportional to the amount paid (in case of the annual land rent) The amount that the economic organization pays to buy the land shall be determined as follows:

- If the land price to calculate the unit price is determined by the method of land price adjustment coefficients, the price of the land shall be determined by the same method at the time the land use purpose is changed.

- If the land price to calculate the unit price is determined by the methods of direct comparison, deduction, income, surplus, the price of the transferred land shall be determined by the such methods at the time the land use purpose is changed.

b) In case of legal receipt of the levied non-agricultural land which is other than the residential land and allocated by the State and the land rent which is not funded from the State budget, the amount that is paid by the economic organization shall be deducted from the land rent payable (in case of the lump sum land rent) provided that the land use purpose is changed in accordance with the regulations in Point g Clause 1 Article 57 of the Law on Land and the land is leased from the State. If the economic chooses to pay annual land rent, the amount that is paid for the land shall be converted into the lease period proportional to such amount at the time the change in the land use purpose is approved by a competent authority.

The abovementioned amount that the economic pay to buy the land shall be determined based on the lump sum land rent in the remaining land use term under the regulations of the Law of this Decree.

c) In case of the receipt of the non-levied land allocated by the State and other than the agricultural land or the receipt of fixtures on the leased land whose rent is paid annually, the economic organization shall pay the land rent under the regulations of this Decree when the land use purpose is changed provided that the land is leased from the competent authority.

d) In case of the receipt of the land (other than the agricultural land) in a stable and long use term which is issued with a certificate of land under the regulations of the laws before the effective date of the Law on Land 2013 and used for the purposes of non-agricultural production and business, the land rent is exempted.

5. Whether the land used for purposes liable to the land rent or not, the land rent payable is determined according to the lease area of the land use purposes.

6. If an investor leases land from the State and pays the lump sum land rent under the regulations of the laws **or** leases land that was initially allocated, (s)he shall pay the additional land rent to the State budget when (s)he request the adjustment to the specific construction planning leading to financial obligations (if any).

7. The rent of land used for building the headquarter of any foreign diplomatic mission signing a land lease term of at least 70 years shall be paid as follows:

a) In case of annual land rent, the determination and collection of land rent are similar to those of the Vietnamese organizations leasing land from the State.

b) In case of lump sum land rent, the land rent payable is the lump sum land rent in 70 year; the remaining land lease term is unliable for the land rent. The land price to calculate the lump sum land rent in 70 years is determined under the regulations of the Decree of the Government on the land prices.

8. In case an project is behind the schedule in accordance with the regulations in Point I Clause 1 Article 64 of the Law on Land and given an extension for 24 months by the competent authorities, its owner must pay an additional amount in proportion to the annual land rent within such extension and such additional amount is determined in accordance with the regulations in Clause 1 Article 4 and Clause 1 Article 12 of this Decree.

9. The Ministry of Finance shall provide guidance on this Article.

Article 13. Handling of compensation for site clearance

1. In case the Land development fund gives an advance to an organization to provide the compensation for the site clearance so that the land can be ready for lease with auction or not, such compensation shall be handled as follows:

a) In case the land rent is not exempted or reduced as prescribed in the regulations in Articles 19 and 20 of this Decree, the entity leasing land from the State must pay the land rent to the State budget under the regulations of the laws. Such advance shall be repaid to the Land development fund by the State budget under the regulations of the law on State budget.

b) In case the lump sum rent is exempted in accordance with the regulations in Article 19 of this Decree, such compensation for the site clearance shall be repaid by the entity leasing land from the State to the State budget according to the plan approved by the competent authorities and included in the investment of the project.

c) In case an amount of the land rent is exempted or reduced in accordance with the regulations in Article 19 and Article 20 of this Decree, the compensation shall be repaid by the entity leasing land from the State to the State budget according to the plan approved by the competent authorities and shall be deducted from the land rent. The remaining amount (if any) shall be included in the investment of the project.

2. c) The compensation which is voluntarily advanced by an entity leasing land without auction or leasing land from the State accordance with the plan approved by the competent authority shall be deducted from the land rent according to the plan approved by the competent authorities; the deducted amount must not exceed the land rent. The remaining compensation which is not deducted from the land rent (if any) shall be included in the investment of the project.

3. The compensation for the site clearance prescribed in Clause 2 and Clause 2 this Article includes the compensation, support, and resettlement and the expenditure on the compensation for the site clearance.

4. The Ministry of Finance shall provide guidance on this Article.

Article 14. Stable period of unit price of leased land and leased water surface of projects paying annual land rents

1. The annual unit price of leased land, unit price of leased land used for building the underground constructions, unit price of leased land with water surface of each project shall be stable in 05 years from the approval of the State for the land lease, change in land use purposes, switch from land allocation to land lease, and recognition of right to enjoyment of land. After a stable period ends, the Directors of the provincial Departments of Taxation and Directors of the Sub-departments of taxation shall adjust the unit price of leased land, unit price of leased land used for building the underground constructions, unit price of leased land with water surface in the next period in accordance with the regulations in Articles 4, 5 and 6 of this Decree.

2. The annual unit price of the leased water surface of each project shall be stable in 05 years from the approval of the State for the water surface lease. After a stable period ends, the People's Committee of provinces shall adjust the unit price of the leased water surface in the next period in accordance with the regulations in Articles 7 of this Decree.

3. The unit price of the leased land, land used for building the underground constructions, land with water surface and leased water surface shall be adjusted if:

a) The stable period of any project which has paid the land rent and water surface rent expires in accordance with the regulations in Clause 1 and Clause 2 of this Article.

b) The land use purpose of any project is changed (the unit price shall be adjusted according to the new purpose at the time the purpose is changed).

4. In case of any entity using land for the purposes subject to land lease under the regulations of the Law on Land 2013 without the Decision on land lease and land lease contract, the unit price shall not be stable in accordance with the regulations in Clause 1 this Article.

5. The Ministry of Finance shall give guidance on the procedures for the adjustment to the unit prices of the leased land and leased water surface when a stable period ends as prescribed in Clause 1 and Clause 2 this Article.

Article 15. Application of unit prices of leased land and leased water surface

1. The projects leasing land and water surface, projects leasing land that initially belongs to the public service providers; projects leasing land that was initially allocated but the land rents are not determined and notified by the competent authorities from the effective date of this Decree shall be applied the unit prices of the leased land and leased water surface in accordance with the regulations in Articles 4, 5, 6 and 7 of this Decree.
2. The unit prices of projects leasing land and water surface before the effective date of this Decree which are in the stable period shall continue to be stable in the remaining time. If the unit prices of a stable period are higher than the unit prices prescribed in this Decree, the unit prices of the stable period shall be adjusted according to this Decree from January 01, 2015.
3. If the time for the adjustment to the unit prices of the projects leasing land and water surface and paying annual rents other than the cases prescribed in the regulations in Clause 7 this Article is before the effective date of this Decree but the unit prices are not adjusted, such unit prices shall be adjusted under the regulations of this Decree for the remaining land lease term. If the unit prices in the time the land has been used have not adjusted, such unit prices shall be adjusted according to the policies and laws of each stage to pay the land rents.
4. The unit prices of the leased land and leased water surface with regard to the projects leasing land and water surface before the effective date of this Decree and paying lump sum rents shall not be re-determined under the regulations of this Decree.
5. In case the land and water surface have been leased before the effective date of this Decree and their lump sum rents have been paid, the unit prices of the leased land and leased water surface shall not be re-determined under the regulations of this Decree. If a term for which the land rents and water surface rents are paid expires, the unit prices of the leased land and leased water surface in the next term shall be re-determined according to the policies and land prices at the time of the adjustment.
6. If a lessor is permitted by the competent authorities to use the land rent and water surface rent as investment in the partnership before the effective date of this Decree, the land prices shall not be regulated by this Decree. The unit price of the leased land and leased water surface shall be re-determined under the regulations of Articles 4, 5, 6 and 7 of this Decree after such partnership expires.
7. If the unit price of the leased land and leased water surface and adjusting principles of the unit price are prescribed in either Investment certificate (investment license), Decision on land lease and Land lease contract issued by the competent authorities (signed) under the regulations on the unit prices of the leased land and leased water surface of the Ministry of Finance (Decision No. 210A-TC/VP dated April 01, 1990; Decision No. 1417/TC/TCDN dated December 30, 1994, Decision No. 179/1998/QD-BTC dated February 24, 1998, Decision No. 189/2000/QD-BTC dated November 24, 200 and Decision No. 1357TC/QD-TCT dated December 30, 1995) with regard to any project leasing land and water surface before the effective date of this Decree:

a) The unit price of the leased land which has not been adjusted under the regulations in the Clause 2 Article 9 of the Decree No. 142/2005/ND-CP dated November 14, 2005 of the Government shall be adjusted in proportion to each adjusting period by the adjusting rate (%) prescribed in the Investment certificate (investment license); Decision on land lease or Land lease contract.

a) In case of the unit price of the leased land adjusted under the regulations in the Clause 2 Article 9 of the Decree No. 142/2005/ND-CP dated November 14, 2005 of the Government, reissuance of the Investment certificate (investment license) or change in the form for the Land lease contract due to the regulations on the administrative procedures, which leads to the absence of the adjusting principles of the unit prices on such papers, the unit price in the next term shall be adjusted by a rate not higher than the rate (%) prescribed in either three abovementioned papers in comparison with the previous stable period and such adjusted unit price shall apply of the remaining land lease term provided that the land use purposes remain the same.

Article 16. Switch from annual land rent to lump sum land rent

Any economic organization, household and individual, overseas Vietnamese, foreign-invested enterprise leasing land from the State and wishing to switch over from the annual land rent to the lump sum land rent must pay the land rent for the remaining land lease term. The lump sum unit price of the remaining land use term shall be determined at the time of the approval for such switch in accordance with the regulations in Clause 2 Article 4 of this Decree.

Article 17. Payment for land rent upon change in land use purposes

1. In case of change in the land use purposes of any land user as prescribed in Points d, dd, g Clause 1 Article 57 of the Law on Land, (s)he must pay the land rent as follows:

a) Provided that non-levied agricultural land and non-agricultural land allocated by the State are switched over to the non-agricultural land leased from the State, the land user must pay the annual land rent or lump sum land rent according to the type of land after the land use purpose is changed.

b) In case of change in the land use purpose among the types of land prescribed in the Point g Clause 1 Article 57 of the Law on Land, the lump sum land rent shall be the differential between the land rent for the land after the land use purpose is change and the land rent for the land before the land use purpose is changed in proportion to the remaining land use term; the annual land rent shall be the land rent for the land after the land use purpose is changed under the regulations of this Decree.

2. If the land use term of an entity liable to the land rent is extended, (s) he shall fulfill the financial obligations for the extended time following the policies and laws at the time of extension.

3. The Ministry of Finance shall provide guidance on this Article.

Section 2: EXEMPTION OF, REDUCTION IN LAND RENT AND WATER SURFACE RENT

Article 18: Rules for exempting, reducing land rent and water surface rent

1. The land rent and water surface rent is exempted and reduced according to each investment project along with the new land lease.
2. Any land renter or water surface renter eligible for both rent exemption and reduction shall be exempted from the land rent or water surface rent. After that his rent shall be reduced in the remaining lease term under the regulations (if any). In case the renter is eligible for various level of reduction, the highest level shall apply.
3. The exemption and reduction in land rent or water surface rent prescribed in Articles 19 and 20 of this Decree shall be directly granted to the entities that lease land from the State and determined based on the land rent, water surface rent.
4. Any active project whose exemption or reduction in land rent and water surface rent is higher than the exemption and reduction prescribed in this Decree shall receive such incentives in the remaining time. If the exemption or reduction is less than the prescribed ones, the prescribed incentives shall apply in the remaining time from the effective date of this Decree.
5. The exemption and reduction in land rent or water surface rent shall not apply to projects on natural resource and mineral extraction
6. The land rent and water surface rent of the renters shall be exempted or reduced after they complete the procedures for the exemption and reduction under the regulations.
7. If any land or water surface renter whose rent is permitted to be exempted and reduced by a competent authority under the regulations of this Decree fails to satisfy the conditions of the exemption and reduction in the land rent or water surface rent during the management and use of land or uses the land for the purposes different from the ones written in the decision on land lease or land lease contract other than the land withdrawal under the regulations of the law on land, he must repaid the exempted and reduced amount and pay late payment interest determined based on the exempted and reduced amount to the State budget under the regulations of the law on tax administration.
8. If an entity leasing land from the State pays a lump sum for the entire lease term and enjoys the land rent exemption but wishes to pay the land rent during the lease term, (s)he shall fulfill the financial obligations and has the rights and obligations of land similar to the entities paying the land rent.

Article 19: Exemption of land rent and water surface rent

1. The land rent and water surface rent shall be exempted in these cases:

a) The investment projects which are given investment incentives to be carried out in the areas facing extreme socio-economic difficulties.

b) The projects using land to build houses for the workers of the industrial zones which is approved by the competent authorities, demanding that the owners do not include the land rents in the house rents

c) The projects using land to build dorms for the students which is funded by the State budget, demanding that the units in charge do not include the land rents in the house rents.

d) Land used for agricultural production of the ethnic minorities; land used for the projects on the plantation of protection forests and forest reclamation.

dd) Land used for building public works of the public service providers; land used for building research establishments of the science and technology enterprises if these relevant conditions (if any) are satisfied such as: land used for building laboratories, technology incubators and business incubators, experimental establishments and experimental production establishments

e) Land used for building establishments providing airline services other than the land used for building establishments doing airline service business.

g) Land used for building head offices of cooperatives, drying grounds, warehouses; establishments providing services for agricultural production, forestry, aquaculture and salt making.

h) Land used of building maintenance and repair stations, parking lots (including the ticket counters, executive areas, public service areas) providing services for the public transportation under the regulations of the law on road transportation.

i) Land used for building water supply constructions including: water extraction and water treatment constructions, pipelines, constructions in the water supply pipeline system and constructions facilitating the management and operation of the water supply system (administrative offices, executive offices, factories, sheds).

k) Land used for building infrastructure in the industrial zones, industrial complexes , processing and exporting zones according to the planning which is approved by the competent authorities and prescribed in Clause 2 Article 149 of the Law on Land.

2. The land rents and water surface rents shall be exempted during the fundamental construction period according to the projects approved by the competent authorities for most 3 years from the effective date of the land lease contracts. If a land renter uses land for the agricultural production (planting perennials) according to the project approved by the competent authorities, the land rent exemption applies to each type of perennial during the fundamental construction period in accordance with the process for planting and caring perennials regulated by the Ministry of Agriculture and Rural development. The land rents and water surface rents are exempted during the fundamental construction period of the periods in association with the land lease from the

State, switch from non-levied land allocation to land lease, excluding the construction investments in renovation, enlargement of production and business establishments and replantation on the land leased from the State.

3. The land rents and water surface rents shall be exempted after the land rent and water surface rent exemption of the fundamental construction period in accordance with the regulations in Clause 2 of this Article, in particular:

a) Three (3) years with regard to the projects on the List of domains entitled to investment incentives; new business establishments of the economic organizations which is moved due to the planning or environment pollution.

b) Seven (7) years with regard to the investment projects on the regions facing socio-economic difficulties.

c) Eleven (11) years with regard to the investment projects on the regions facing extreme socio-economic difficulties; investment projects on the List of domains entitled to special investment incentives; projects on the List of domains entitled to investment incentives which are invested in the regions facing socio-economic difficulties.

d) Fifteen (15) years with regard to the projects on the List of domains entitled to investment incentives which are invested in the regions facing extreme socio-economic difficulties; projects on the List of domains entitled to special investment incentives which are invested in the regions facing socio-economic difficulties.

The List of domains entitled to investment incentives and special investment incentives, the regions facing socio-economic difficulties, the regions facing extreme socio-economic difficulties are prescribe on the regulations of the law on investment.

The List of administrative divisions entitled to land rent incentives only applies to the administrative divisions with specific administrative boundaries.

4. The land rents of the economic zones and hi-tech zones are exempted under the regulations of the Government or the Prime Minister on the investment incentives with regard to the economic zones and hi-tech zones.

5. With regard to the construction projects on the headquarters of the diplomatic missions, foreign consular offices and the representative agencies of international organizations in Vietnam according to the International Agreement to which Vietnam is a State Party, the land rent is exempted according to the Agreement or principle of reciprocity.

6. The projects which are allocated levied land by the State before July 01, 2014 and exempted from the land rents shall continue to be exempted from the land rents for the remaining land use period when they lease land.

7. The projects using land to build the public works to serve the business purpose (private sector involvement) in the field of education and vocational training, medical, culture, sports and environment are exempted from the land rents under the regulations of the Government on the incentive policies on the involvement of private sector with regard to the activities related to the fields of education and vocational training, medical, culture, sports and environment.

8. The investment projects on the agriculture and rural areas shall be exempted from the land rents under the regulations of the Government on the investment incentives for agriculture and rural areas.

9. The rents of the agricultural land area within the local limits under the regulations of the laws with regard to the farm households, members of agricultural cooperatives under all inclusive agreements with the enterprises, agricultural production cooperatives switching over to land lease and signing land lease contracts with the competent authorities shall be exempted until the end of 2020 under the regulations of the Law on Land.

10. The Prime Minister shall consider and decide to grant the land rent exemption in other cases which are requested by the Minister of Finance according to the proposals of the Ministers, Heads of ministerial-level agencies, Governmental agencies and Presidents of the People's Committees of provinces.

Article 20. Reduction in land rent and water surface rent

1. The land rents and water surface rents shall be reduced in these following cases:

a) A land rent for the land leased by a cooperative to be used as business and production premises shall be reduced by 50%.

b) A rent for the land or water surface leased to serve the purposes of agricultural production, forestry, aquaculture and salt making shall be reduced by a corresponding rate if less than 40% of its yield is damaged by disaster or conflagration; exempted if 40% or more of its yield is damaged in such year.

b) A rent for the land or water surface leased to serve the purposes of production and business other than the agricultural production, forestry, aquaculture and salt making or the case prescribed in the Clause 2 this Article shall be reduced by 50% during the pause in production and business in case of disaster, conflagration or force majeure.

2. The land rent of the economic zones and hi-tech zones is reduced under the regulations of the Government or the Prime Minister on the investment incentives with regard to the economic zones and hi-tech zones.

3. The land rent of the investment projects on the agriculture and rural areas shall be reduced under the regulations of the Government on the investment incentives for agriculture and rural areas.

4. With regard to the construction projects on the headquarters of the diplomatic missions, foreign consular offices and the representative agencies of international organizations in Vietnam according to the International Agreement to which Vietnam is a State Party, the land rent is reduced according to the Agreement or principle of reciprocity.

5. The Prime Minister shall consider and decide to offer the land rent reduction in other cases which are requested by the Minister of Finance according to the proposals of the Ministers, Heads of ministerial-level agencies, Governmental agencies and Presidents of the People's Committees of provinces.

Article 21. Authority to determine and decide exempted and reduced land rent and water surface rent

1. According to the documents and papers of the entities entitled to the exemption and reduction in the land rent and water surface rent prescribed in Article 19 and Article 20 of this Decree, the tax authorities shall determine the amounts payable by the land renters or water surface renters and the amount that is exempted or reduced, in particular:

a) The Directors of the Provincial Departments of Taxation shall decide the exempted amounts with regard to the economic organizations, foreign organizations and individuals and overseas Vietnamese who lease land.

a) The Directors of the Provincial Sub-Departments of Taxation shall decide the reduced amounts with regard to the households and individuals who lease land.

2. The Ministry of Finance shall give instructions on the procedures for the exemption and reduction in the land rents and water surface rents prescribed in this Article.

Section 3. COLLECTION OF LAND RENT AND WATER SURFACE RENT

Article 22. Procedures for determination of land rent and water surface rent

1. According to the cadastral dossiers (information about the area, location, purposes, land lease form, land lease term) on the land lease and water surface lease; decision on land price, price for land with water surface, unit price of the leases land to build underground constructions, water surface rents issued by the People's Committees of provinces; Land prices lists, rates (%) and land price adjustment coefficients regulated by the People's Committees of provinces, the tax authorities shall determine and collect the land rents and water surface rents, in particular:

a) Within 05 working days from the receipt of a complete cadastral dossier under the regulations, the tax authorities shall determine the land rent and water surface rent and send a notification of the land rent and water surface rent to the entity liable for the payment.

b) Within 05 days from the receipt of a dossier, if the land rent or water surface rent has not been determined due to lack of information, the tax authorities shall send a written notification to the applicant to complete the dossier; after the cadastral dossier is completed, the tax authorities

shall determine the land rent and water surface rent and send a notification of the land rent and water surface rent to the entity liable for the payment after 05 working days from the receipt of a additional dossier.

2. The tax authorities shall directly send an annual notification of the land rent and water surface rent to the entity liable for the payment. If there is any change in the basis for the calculation of the land rent and water surface rent, the land rent and water surface rent must be re-determined and notified to the entities liable for the payment.

3. After the stable period of the unit prices of the leased land and leased water surface, the tax authorities shall notify the renter of the adjustment to the land rent and water surface rent for the next stable period under the regulations of the laws at the time of the adjustment.

4. The tax authorities shall compile a dossier on the collection and payment for the land rent and water surface rent using the forms provided by the Ministry of Finance.

Article 23. Determination of land rent and water surface rent payable in case of exemption and reduction in land rent and water surface rent

1. In case the land rents and water surface rents are paid annually

a) With regard to the land rent and water surface rent exemption prescribed in Article 19 of this Decree, the annual land rents and water surface rents must be paid at the time the renters begin to pay their rents after the exemption period expires which are determined as follows:

$$\begin{array}{l} \text{The land rent or} \\ \text{water surface} \\ \text{rent payable} \end{array} = \begin{array}{l} \text{Annual unit price at the time the} \\ \text{renters begin to pay land rents and} \\ \text{water surface rents} \end{array} \times \begin{array}{l} \text{Area liable for land rent} \\ \text{of water surface rent} \end{array}$$

b) With regard to the reduction in land rent and water surface rent (if any) according to the regulations in Article 20 of this Decree

$$\begin{array}{l} \text{The land rent or} \\ \text{water surface} \\ \text{rent payable} \end{array} = \begin{array}{l} \text{Annual unit} \\ \text{price} \end{array} \times \begin{array}{l} \text{Area of land and} \\ \text{water surface whose} \\ \text{rent is payable} \end{array} - \begin{array}{l} \text{Reduced amount} \\ \text{under regulations} \\ \text{in Article 20 this} \\ \text{Decree (if any)} \end{array}$$

c) With regard to any investor who voluntarily advances the compensation for the site clearance in accordance with the regulations in Clause 2 Article 13 of this Decree, after the exempted or reduced amount is deducted in accordance with the regulations in Point a and Point b this Clause, the advanced amount shall be deducted from the land rent payable. The number of years and months to pay the land rent is calculated based on the following formula:

$$n = \frac{\text{The advanced compensation for site clearance according to the projects approved by the competent authorities}}{\text{Annual land rent and water surface rent payable}}$$

n: number of years or months unliable for land rent or water surface rent

2. In case of the lump sum land rents and water surface rents

b) With regard to the land rent and water surface rent exemption in accordance with the regulations in Article 19 of this Decree

$$\begin{array}{l} \text{The land rent or} \\ \text{water surface} \\ \text{rent payable} \end{array} = \begin{array}{l} \text{The lump sum unit price of the} \\ \text{lease term after the exemption} \\ \text{period is deducted in accordance} \\ \text{with the regulations in Clause 19} \\ \text{of this Decree} \end{array} \times \begin{array}{l} \text{Area liable to land rent or} \\ \text{water surface rent} \end{array}$$

b) With regard to the reduction in land rent and water surface rent in accordance with the regulations in Article 20 of this Decree

$$\begin{array}{l} \text{The land rent or} \\ \text{water surface} \\ \text{rent payable} \end{array} = \begin{array}{l} \text{The land rent or water surface} \\ \text{rent determined in Point a this} \\ \text{Clause} \end{array} - \begin{array}{l} \text{The reduced amount under} \\ \text{regulations in Article 20 this} \\ \text{Decree} \end{array}$$

c) With regard to any investor who voluntarily advances the compensation for the site clearance in accordance with the regulations in Clause 2 Article 13 of this Decree, after the exempted or reduced amount is deducted in accordance with the regulations in Point a and Point b this Clause, the advanced amount according to the projects approved by the competent authorities shall be deducted from the land rent payable based on the formula below:

$$\begin{array}{l} \text{The land rent or} \\ \text{water surface} \\ \text{rent payable} \end{array} = \begin{array}{l} \text{The land rent or water surface} \\ \text{rent payable after the exempted} \\ \text{or reduced amount is deducted} \\ \text{under regulations in Point a and} \\ \text{Point b this Clause} \end{array} - \begin{array}{l} \text{The advanced compensation} \\ \text{for site clearance according} \\ \text{to the project approved by} \\ \text{the competent authorities} \end{array}$$

Article 24. Collection and payment for land rent and water surface rent

1. The land rents and water surface rents shall be paid to the State budget in VND; if the foreign organizations and individuals, overseas Vietnamese pay the land rent and water surface rent in foreign currencies, such amounts shall be converted into VND under the regulations of the laws at the time of payment.

2. The payment for land rents and water surface rents is prescribed as follows:

a) The tax authorities shall send notifications of the payment for the land rents and water surface rents to the renter as well as the land registry offices or authorities of natural resources and environment.

b) The land renters and water surface renters must pay their rents in accordance with the regulations in the notifications of the tax authorities.

3. 3. In case the land rents and water surface rents are paid annually, the annual rents shall be paid 2 times: at least 50% of the rents shall be paid at the first time before May 31; the second time is before October 31.

4. In case of the lump sum land rents and water surface rents

a) Each land renter must pay 50% of his land rents prescribed in the notification within 30 days from the day on which the Notification of the land rent and water surface rent is signed by a tax authority.

b) The land renter must pay the remaining amount within the next 60 days.

c) If the renter has not completely pay the land rent prescribed in the Notification of the tax authority within the period prescribed in Point a and Point b this Clause, he must pay the late payment interest on the unpaid amount according to the prescribed rate of the law on tax administration.

5. The Ministry of Finance shall provide the declarations, documents, logbooks on the payment for the land rents and water surface rents.

Article 25. Responsibilities of authorities, entities paying land rents, water surface rents and airports authorities

1. The financial authorities shall:

a) Calculate the price adjustment coefficients and the specific rate (%) to determine the local unit prices according to each route corresponding to each land use purpose and request the People's Committees of provinces to consider promulgating them under the regulations in Clause 5 Article 4 of this Decree.

b) Determine the rates (%) to calculate the rents for the land used for building underground constructions, land with water surface, leased water surface and request the People's Committees to consider regulating them.

c) Determine the amounts deducted from the land rents and water surface rents payable.

d) Act as the standing agencies of the local land price assessment Councils responsible for assessing the specific land prices to calculate the land rents according to the proposals of the authorities of natural resources and environment with regard to the cases prescribed in Clause 4 Article 4 of this Decree and report that to the local land price assessment Councils for consideration before requesting the People's Committees of provinces to decide.

2. The authorities of natural resources and environment, land registry offices shall:

Determine the location, area, types of land, land use purposes, land and water surface lease term, which serves as the basis for the determination of the rent and land rents, water surface rents payable.

3. The tax authorities shall:

a) Determine the unit prices, rents for land used for building underground constructions, land with water surface, water surface rents and notify the renters of the payment under the regulations of this Decree.

b) Determine the unit prices and notify the Airports authorities to collect the land rents of the entities who lease the land and water surface located in the airports.

c) Organize, give instructions, check, answer the questions and deal with the complaints about the collection and payment for the land rents and water surface rents under the regulations of the law on tax administration.

4. The agencies affiliated to the Treasuries:

a) Collect the land rents and water surface rents and submit them to State Treasuries according to the notifications of payment for the land rents and water surface rents and fulfill such obligation for any reason.

b) Must not postpone the collection until the following day when the entities responsible for fulfilling the financial obligations complete the procedures for the payment.

5. Airports authorities shall:

a) Provide the tax authorities with the dossiers on land lease and water surface lease of the renters who lease the land in the airports in accordance with the regulations in Point b Clause 3 Article 156 of the Law on Land 2013.

b) be allowed to authorize other agencies to collect the land rents and water surface rents of the renters who lease the land and water surface in the airports under the regulations of the law on tax administration.

c) Expedite the payment for the land rents and water surface rents of the renters who lease the land and water surface in the airports following the methods and deadlines written in the Land lease contracts.

6. The land and water surface renters shall:

a) Declare the land rents and water surface rents under the regulations of the Law on Tax administration and guiding documents.

b) Pay the land rents and water surface rents following the methods and deadlines written in the Land lease contracts.

a) Pay the late payment interest in accordance with the regulations in Article 26 of this Decree if they do not pay the full land rents and water surface rents after the deadlines for the payment for land rents and water surface rents.

Article 26. Handling of late payment for land rent

In case of late payment for the land rents and water surface rents to the State budget, the land and water surface renters must pay the late payment interest. The late payment interest on the land rents and water surface rents is determined based on the prescribed rate of the Law on Tax administration and guiding documents.

Article 27. Complaints and handling of complaints

The complaints and handling of complaints on the land rents and water surface rents shall be implemented under the regulations of the Law on Complaints and guiding documents. During the handling process, the persons who make the complaints must pay the full land rents and water surface rents which are notified by the competent authorities in time.

Section 4. RESPONSIBILITY TO COLLECT LAND RENT, WATER SURFACE RENT, TRANSITIONAL PROVISIONS AND HANDLING OF ISSUES

Article 28. Responsibilities of Ministry of Finance

1. Give instructions on the determination and payment for the land rents and water surface rents; procedures and documents on the exemption and reduction in land rents and water surface rents; procedures and documents related to the compensation deduction under the regulations.
2. Provide the documents, declarations, forms for logbooks on the collection and payment for the land rents and water surface rents. Administer the collection of land rents and water surface rents by the division of authority among the units in charge, which is conformable to the division of authorities among the units in the management of the State budget and the law on land.
3. Check and give guidance on the land evaluation to calculate the land rents under the regulations of the law on price.
4. Inspect the collection of land rents and water surface rents.
5. Cooperate with the relevant Ministries and regulatory authorities in reviewing the regulations on the exemption and reduction in the land rents of the entities other than the ones prescribed in Article 19 and Article 20 of this Decree and notify the Government and the Prime Minister to consider and deal with them in accordance with the regulations of the Law on Land.

6. Take charge and cooperate with the Ministry of Natural Resources and Environment in providing the documents, procedures for the receipt and circulation of the documents among the authorities of finance, tax and natural resources and environment in determining the land rents and water surface rents and collecting them.

Article 29. Responsibilities of Ministry of Natural Resources and Environment

Cooperate with the Ministry of Finance in providing instructions on the documents, procedures for the receipt and circulation of the documents among the authorities of finance, tax, natural resources and environment and State Treasuries at all level in determining the land rents and water surface rents and collecting them.

Article 30. Responsibilities of the People's Committees of provinces

1. Promulgate the Land price lists, land price adjustment coefficients, the rates (%) to calculate the unit prices and rent rates with regard to the land used to build the underground constructions, land with water surface and decide the specific land prices which serves as a basis to calculate the land rents; decide the water surface rents prescribed in Article 7 of this Decree with regard to each specific project.

2. Direct the functional agencies to complete the legal documents on land of the land users without land lease contracts.

3. Direct the People's Committees at all levels to check, monitor the use of land of the land renters and water surface renters and collect the land rents and water surface rents under the regulations of this Decree.

4. Direct the regulatory authorities affiliated to the People's Committees of provinces to cooperate with the tax authorities in administering the renters and collecting the land rents and water surface rents under the regulations of this Decree.

5. Check and deal with the cases in which the declarations are incorrect and the exemption and reduction granted to ineligible entities, which cause damage to the State as well as the entities paying the land rents.

6. Deal with the complaints about the collection of land rents and water surface rents under the regulations of the law on complaints and denunciation.

Article 31. Transitional provisions

1. Any economic organization, household and individual, overseas Vietnamese leasing land under the regulations of the Law on Land 2013 who has been allocated land and paid the land rent before the effective date of the Law on Land 2013 shall continue to use the land in the remaining land use term and be not required to switch over to land lease. When the land use term expires, they must switch over to land lease and pay the land rent under the regulations of this

Decree if such term is extended by the competent authorities in accordance with the regulations in Clause 1 Article 60 of the Law on Land.

2. Any economic organization, household and individual, overseas Vietnamese leasing land under the regulations of the Law on Land 2013 who has been allocated land and paid the land rent before the effective date of the Law on Land 2013 shall not be required to pay the land rent for the remaining land use term if they wish to switch over to land lease.

3. Any economic organization, household and individual, overseas Vietnamese leasing land under the regulations of the Law on Land 2013 who has been allocated non-levied land before the effective date of this Law must switch over to land lease from the effective date of the Law on Land 2013 under the regulations in Clause 2 Article 60 of the Law on Land 2013 and must pay the land rents under the regulations of this Decree.

4. Any overseas Vietnamese, foreign-invested enterprise leasing land from the State and paying the lump sum land rent for the entire lease term to carry out the investment project on the construction of houses for commercial purposes before the effective date of the Law on Land 2013 shall follow the policies on levied land allocation if they wish to switch over to the levied land allocation under the regulations of the Law on Land 2013.

5. Any economic organization receiving the legal agricultural land from the households and individual allocated non-levied land by the State to carry out the investment project on the agricultural production before the effective date of the Law on Land 2013 shall continue to use the land and be not required to pay the land rent for the remaining period of such project. They must switch to land lease and pay the land rent under the regulations of this Decree if they wish to continue to use the land after the deadline of such project.

6. That any land renter eligible to lease land and receiving the notification of payment for land rent from a tax authority before the effective date of the Law on Land 2013 has not fulfill his financial obligations at the time this Decree takes effect shall be dealt with as follows:

a) In case of the lump sum land rent, he shall continue to pay the land rent notified by the tax authority and the late payment interest according to the prescribed rates of the Law on Tax administration and guiding documents.

b) In case of the annual land rent, he shall continue to pay the land rent notified by the tax authority by 2015 and the late payment interest according to the prescribed rates of the Law on Tax administration and guiding documents.

7. Any economic organization, household and individual, overseas Vietnamese carrying out the production and business investment in economic zones which have been allocated land by the State and received the land from other economic organizations and overseas Vietnamese before the effective date of the Law on Land 2013 shall continue to use the land in the remaining period of such project and be not required to switch over to land lease. If they wish to continue using the land after the periods of the projects, the management boards of the economic zones shall

consider leasing them the land in accordance with the regulations in Article 151 of the Law on Land 2013 and the land renters must pay the land rents under the regulations of this Decree.

8. Any household or individual who has been allocated littoral land and riparian land before the effective date of the Law on land 2013 for agricultural purposes shall continue to use land in the remaining land allocation period. When the land allocation period ends, if they wish to use land which is conformable with the planning, land-use plan and obedient to the law on land, they must pay the land rent under the regulations of this Decree when leasing land from the State in accordance with the Article 141 of the Law on land 2013.

9. Any economic organization that is allocated non-levied land by the State for the purposes of agricultural production, forestry, aquaculture and salt making before the effective date of the Law on Land 2013 and required to switch over to land lease in accordance with the regulations in Article 133 of the Law on Land 2013 shall pay the land rent under the regulations of this Decree.

10. Any household and individual, overseas Vietnamese leasing land under the regulations of the Law on Land in 2013 that has been bought before the effective date of the Law on Land in 2013 shall continue to use the land in the remaining land use term. They are not required to switch over to land lease under the regulations of this Law. When the land use term expires, they must switch over to land lease and pay the land rent under the regulations of this Decree if such term is extended by the competent authorities.

11. If the compensation for the site clearance which has been advanced by an investor according to the plan approved by a competent authority following the policies on compensation and support for resettlement when the land is withdrawn by the State under the regulations of the Law on Land 2003, has not been completely deducted from the annual land rent under the regulations of the laws of each stage, the remaining which has been determined by the competent authority shall continue to be deducted and converted into the lease period proportional to the amount paid.

12. Any project leasing land whose rent is paid annually from the State by auction under the regulations of the Decree No. 121/2010/ND-CP dated December 30, 2010 of the Government with the stable period of the unit price lasting 10 years shall continue to apply the principles prescribed in the Decree No. 121/2010/ND-CP after such period ends with the stable period of the unit price lasting 10 years.

Any project leasing land whose rent is paid annually by the auction of right to lease land under the regulations of the Decree No. 142/2005/ND-CP dated November 14, 2005 of the Government with the stable period of the unit price lasting 5 years shall continue to apply the principles prescribed in the Decree No. 142/2005/ND-CP after such period ends with the stable period of the unit price lasting 5 years.

Article 32. Handling of specific issues

1. If an investor leasing land from the State and paying the annual land rent to make construction and business investment in the infrastructure in the industrial zones, industrial complexes, processing and exporting zones, whose either Investment certificate (investment license), Decision on land lease and Land lease contract issued by the competent authorities (signed) prescribes the principles of the adjustment to the unit price, sublets the land with the infrastructure which is paid in lump sum before January 01, 2006, (s)he must pay the State the lump sum land rent which is determined based on the unit price at the time such land is sublet (based on the principle that after each stable 5-year-period the rent shall increase by 15% in comparison with the previous period) and his or her annual land rent paid to the State which is based on the abovementioned period with regard to this area from the time such land is sublet (if any) shall be deducted.

2. If the period of the land rent reduction of any project whose land rent is reduced until 2014 under the regulations of the Government and the Prime Minister on the solutions to the difficulties in production, business, market support and handling of bad debts, expires according to those policies during the stable period of the land rents, such project shall be applied the land rents under the regulations in this Decree from the January 01, 2015.

3. If any land user who has not allowed to lease the land by the competent authorities is using land for the purposes of production and business, (s) he shall pay the land rent according to the Notification of tentative payment for the land rent and water surface rent which is given by the tax authority based on the policies and land price at the time the Notification is issued before the effective date of this Decree and shall not be required to adjust the notified land rent. From the effective date of this Decree, the tax authorities shall determine the annual land rent payable (must not be stable in 05 years) based on the land price on the Land price lists, land price adjustment coefficients, rates (%) of the land prices to determine the unit price issued by the People's Committees of province, land area and actual land use purposes and notify the land user to pay. The People's Committees of provinces shall direct the authorities of natural resources and environment to complete the documents on land lease and water surface lease under the regulations of the law.

4. That any land user leasing land from the competent authorities before the effective date of this Decree has not adjusted the land rent under the regulations in the Decree No. 142/2005/ND-CP dated November 14, 2005 and Decree No. 121/2010/ND-CP dated December 30, 2010 and paid the annual land rent according to the Notification of tentative payment issued by the tax authorities shall be dealt with as follows:

a) In case of tentative payment for the annual land rents based on the policies and land prices at the time the Notification of the tentative payment for the land rents is issued, the land rents shall be paid based on the tentative payment.

b) In case of the tentative payment for the annual land rent based on the policies and land prices before the effective date of the Decree No 142/2005/ND-CP dated November 14, 2005 other than the cases prescribed in Clause 7 Article 15 of this Decree, the land rent shall be adjusted, the tentative payment for the land rents shall be settled and the land rent payable shall be collected under the regulations.

c) The tax authorities shall determine and adjust the unit prices with regard to the cases prescribed in Points a and b this Clause under the regulations in this Decree. Such unit prices shall apply from July 01, 2014.

Chapter III

IMPLEMENTATION

Article 33. Effect

1. This Decree takes effect from July 01, 2014.
2. This Decree replaces the Decree No. 142/2005/ND-CP dated November 14, 2005 of the Government imposing regulations on collecting land rent and water surface rent; the Decree No. 121/2010/ND-CP dated December 30, 2010 of the Government on the amendment to some articles of the Decree No. 142/2005/ND-CP of the Government on collecting land rent and water surface rent.

Article 34. Implementation responsibility

The Ministries, Heads of ministerial-level agencies, Heads of Governmental agencies, the Presidents of People's Committees of central-affiliated cities and provinces, land and water surface renters shall implement this Decree./.

**ON BEHALF OF THE GOVERNMENT
THE PRIME MINISTER**

Nguyen Tan Dung

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