

No. 20/VBHN-VPQH

Hanoi, July 15, 2020

## LAW

### PROVISION OF ASSISTANCE FOR SMALL AND MEDIUM-SIZED ENTERPRISES

The Law on Provision of Assistance for Small and Medium-Sized Enterprises No. 04/2017/QH14 dated June 12, 2017 of the National Assembly, which comes into force from January 01, 2018, is amended by:

The Law on Public - Private Partnership Investment No. 64/2020/QH14 dated June 18, 2020 of the National Assembly, which comes into force from January 01, 2021.

*Pursuant to the Constitution of the Socialist Republic of Vietnam;*

*The National Assembly promulgates the Law on Provision of Assistance for Small and Medium-Sized Enterprises.* [\[1\]](#)

#### Chapter I

### GENERAL

#### Article 1. Scope

This Law provides for principles, contents and resources for assistance for small and medium-sized enterprises (hereafter referred to as "SMEs") and the responsibilities of organizations and individuals related to provision of assistance for SMEs.

#### Article 2. Regulated entities

1. Enterprises that are established, organized and operate in accordance with regulations of law on enterprises and satisfy the criteria for identification of SMEs defined in this Law.
2. Organizations and individuals related to the provision of assistance for SMEs.

#### Article 3. Definitions

For the purpose of this Law, the terms below shall be construed as follows:

1. "women-owned SME" means an SME having one or more women owns at least 51% of its charter capital and at least a woman is the executive director of this enterprise.
2. "startup" means an SME that is established to implement its business ideas based on the exploitation of intellectual property, technology and new business models and is able to grow quickly.
3. "value chain" means a set of activities that create and increase the value of products or services and include consecutive stages such as idea creation, design, production, and the distribution of finished products to customers.
4. "distribution chain" means a set of intermediate organizations (enterprises, investors, business organizations) distributing SMEs' products to customers.
5. "technical establishment" means an establishment providing equipment for an SME to assist it in designing, testing, measuring, analyzing, assessing and verifying products, goods and materials.
6. "incubator" means an establishment providing necessary infrastructures, resources and service for organizations and individuals so that they can complete their business ideas and develop their SMEs in the early stage of establishment.
7. "business cluster" is a form of association between enterprises operating in the same sector and relevant enterprises and organizations that cooperate and compete with each other.
8. "coworking space" means an area providing spaces for working and exhibition of products and providing utilities to assist and combine startups.

#### **Article 4. Criteria for identification of SMEs**

1. An SME includes a micro-enterprise, small enterprise or medium-sized enterprise whose annual average number of employees who participate in social insurance does not exceed 200 and satisfies one of the following criteria:

- a) The total capital does not exceed 100 billion dong;
- b) The total revenue of the previous year does not exceed 300 billion dong.

2. Micro-, small and medium-sized enterprises are identified by industries including agriculture, forestry, aquaculture; industry and construction; and trade and services.

3. The Government shall elaborate this Article.

#### **Article 5. Principles of provision of assistance for SMEs**

1. Provision of assistance for SMEs shall comply with market rules and international treaties to which the Socialist Republic of Vietnam is a signatory.

2. Contents, subjects, procedures, resources, levels of assistance and results of assistance for SMEs shall be transparent.

3. The State shall assist SMEs in a focused manner, for a certain period of time and in accordance with objectives of the assistance and its ability to balance resources.

4. The provision of assistance for SMEs using resources provided by non-state organizations and individuals shall comply with their own regulations and regulations of law.

5. In the cases where an SME is concurrently entitled to various levels of the same form of assistance in accordance with regulations of this Law and other relevant regulations of law, it will be entitled to most favorable level.

If more than one SME satisfy the conditions for the assistance in accordance with regulations of this Law, priority shall be given to the women-owned SME and the SME using more women employees.

6. An SME will receive the assistance if it complies with all regulations of this Law and other relevant regulations of Law.

#### **Article 6. Sources of funding for assisting SMEs**

1. Sources of funding for assisting SMEs include:

- a) Loan capital subsidized and guaranteed by the State;
- b) Funding provided by the state budget;
- c) Sources of funding from exemption or reduction of taxes, fees, charges, land rents, land levy and other amounts payable to the State budget in accordance with regulations of law;
- d) Legal sources of capital provided by domestic and foreign organizations and individuals.

2. Sources of funding for assisting SMEs prescribed in Points a, b and c Clause 1 of this Article shall be estimated, verified, approved and settled in accordance with regulations of law.

#### **Article 7. Prohibited acts**

1. Failure to provide assistance for SMEs in accordance with principles, contents and procedures, for right subjects and intra vires as prescribed by law.

2. Abuse of positions and power to violate regulations of law on the assistance for SMEs.

3. Discriminatory actions, unnecessary delay, obstructing or harassing SMEs and organizations and assistance for SMEs.

4. Deliberate provision of incorrect information relating to the provision of assistance for SMEs.

5. Failure to use resources for intended purposes.

## **Chapter II**

## **CONTENTS OF ASSISTANCE FOR SMEs**

### **Section 1. GENERAL ASSISTANCE**

#### **Article 8. Assistance in access to credit**

1. From time to time, the Government shall introduce policies on provision of assistance for credit institutions in increasing maximum loans granted to SMEs; encouraging credit institutions to provide loans for SMEs according to their credit ratings and other appropriate measures; encouraging the establishment of independent consulting firms that assign credit ratings to SMEs.
2. SMEs shall be assisted in formulating their feasible business plans, intensifying their management capacity and skills and financial transparency to increase the opportunities for access to credit.
3. SMEs shall be provided with the credit guarantee from the credit guarantee funds for SMEs according to regulations in Article 9 of this Law.

#### **Article 9. Credit guarantee funds for SMEs**

1. The credit guarantee fund for SMEs is a state fund other than the state budget which operates without profitable aims and is established by the People's Committee of a province.
2. The credit guarantee fund for SMEs shall provide credit guarantee for SMEs.

The credit guarantee for SMEs is based on the collateral or the feasible business plan or credit ratings of SMEs.

3. The credit guarantee fund for SMEs shall fulfill fully the committed guarantee obligations and shall not refuse to provide guarantee for eligible SMEs.
4. The Government shall elaborate this Article.

#### **Article 10. Assistance in tax and accounting**

1. SMEs may apply the corporate income tax rate lower than the common tax rate applied to enterprises for a limited period of time according to regulations of law on corporate income tax.
2. Micro-enterprises may apply tax administrative procedures and simple accounting regimes in accordance with the law on tax and accounting.

#### **Article 11. Assistance in production premises**

1. According to the available land area of the province, the provincial People's Committee shall send the provincial People's Council the decision on provision of land for construction and development of industrial clusters and processing zones for agricultural, forestry, fishery and seafood products serving SMEs in accordance with the approved land use planning.
2. According to the local government budget, the provincial People's Committee shall send the provincial People's Committee the decision on provision of rent subsidies for SMEs in industrial parks, hi-tech zones and industrial clusters in the province. The maximum period of the assistance is 5 years from the day on which the land lease agreement is signed.
3. The rent subsidies for SMEs specified in Clause 2 of this Article shall be provided by subsidizing the investor in infrastructure of industrial parks, hi-tech zones and industrial clusters to reduce premises rent for SMEs.

The subsidy shall be deducted from the land rent or covered by the local government budget.

4. The assistance in production premises prescribed in this Article shall not apply to foreign-invested or state-invested SMEs.

#### **Article 12. Assistance in terms of technologies, assistance for incubators, technical establishments and coworking space**

1. The State shall introduce policies on providing assistance for SMEs in researching, innovating, receiving, improving, completing and mastering technologies through the research, training, consultancy, searching, decipher and transfer of technology and in establishing, exploiting, managing, protecting and developing the intellectual property of the SMEs.

2. [2] Ministries, ministerial agencies and provincial People's Committees may establish incubators, technical establishments and co-work spaces. Enterprises and other investment or business organizations may establish their incubators, technical establishments and coworking spaces.

3. Incubators, technical establishments and coworking spaces are entitled to:

a) Reduction or exemption of land rents, land levy and the levy on non-farming land in accordance with regulations of law;

b) Reduction or exemption of corporate income tax for a limited period of time in accordance with regulations of law on corporate income tax.

#### **Article 13. Assistance in expansion of markets**

1. [3] Ministries, ministerial agencies and provincial People's Committees may establish distribution chains. Enterprises and other investment or business organizations may establish distribution chains.

2. Enterprises and investment or business organizations joining the distribution chain of products manufactured in Vietnam having at least 80% of members that are SMEs are entitled to:

a) Reduction or exemption of land rents, land levy and the levy on non-farming land in accordance with regulations of law;

b) Reduction or exemption of corporate income tax for a limited period of time in accordance with regulations of law on corporate income tax.

3. Micro-enterprises and small enterprises will be given priority during contractor selection in accordance with regulations of law on bidding.

#### **Article 14. Assistance in access to information, consultancy and legal issues**

1. The following information shall be published on the national SMEs website portal, websites of ministries, ministerial authorities, provincial People's Committees, social organizations and socio-professional organizations:

a) Information about plans, programs, projects and activities related to the assistance for SMEs;

b) Business guidelines, credit, markets, products, technologies and enterprise incubation;

c) Other information requested by the SMEs in accordance with regulations of law.

2. Ministries and ministerial authorities shall, within their jurisdiction, set up a network of organizations and individuals providing consulting services for SMEs (hereinafter referred to as "consultant network"). SMEs will be entitled to reduction or exemption of consulting fees if they use consulting services provided by the consultant network.

3. Ministries, ministerial authorities, authorities and organizations, within their duties and power, shall carry out the following activities to provide the legal assistance for SMEs:

a) Establishment, management, maintenance, updating, exploitation and use of databases of law;

b) Design and execution of programs for the legal assistance to provide information improve legal knowledge and provide legal consultancy.

4. The Government shall elaborate this Article.

#### **Article 15. Assistance in developing human resources**

1. SMEs are entitled to reduction or exemption of charges for training courses funded by the state budget on entrepreneurship, enterprise administration and job training for employees working in SMEs.

2. The State shall provide online training programs and training programs through mass media for SMEs and provide training courses at premises of SMEs engaged in the production and processing field.

3. The Government shall elaborate this Article.

### **Section 2. ASSISTANCE FOR SMES IN CONVERSION FROM HOUSEHOLD BUSINESSES TO SMES, STARTUPS, JOINING BUSINESS CLUSTERS AND VALUE CHAINS**

## **Article 16. Assistance for SMEs in conversion from household businesses to SMEs**

1. An SME converted from a household business will receive assistance if the following conditions are fulfilled:

a) Before being converted to an SME, the household business has obtained the enterprise registration certificate (ERC) and operated in accordance with regulations of law.

b) The household business has been operating continuously for at least 01 year by the day on which the first ERC is issued.

2. Such an SME mentioned in Clause 1 of this Article is entitled to the following forms of assistance:

a) Free consultancy and instruction on applications and procedures for the enterprise establishment;

b) Exemption from fees for enterprise registration and the first provision of enterprise information; exemption from fees for assessment and fees and licensing fees for the first license of business lines subject to conditions and exemption from licensing fees within 03 years from the day on which the first ERC is issued;

c) Free consultancy and instruction on the tax administrative procedures and the accounting regime within 03 years from the day on which the first ERC is issued;

d) Exemption or reduction of corporate income tax for a limited period of time in accordance with regulations of law on corporate income tax.

dd) Exemption or reduction of land levy in accordance with regulations of law on land.

3. The SME converted from a household business shall inherit all rights, obligations and legal interests of the household business in accordance with regulations of law. If a household business is converted into a limited liability company or a joint stock company, the household business owner, with his/her entire property, shall be liable for the outstanding loans of the household business unless otherwise agreed by the parties in accordance with regulations of law.

4. The household business shall be shut down as soon as the SME converted from this household business is issued with ERC.

5. The Government shall elaborate Clause 2 of this Article.

## **Article 17. Assistance for startups**

1. A startup may receive the assistance if the following conditions are fulfilled:

a) The startup has been put into operation for up to 05 years from the day on which its first ERC is issued;

b) The startup has not initiated public offering of its securities (in cases of a joint-stock company).

2. Such an SME mentioned in Clause 1 of this Article is entitled to the following forms of assistance:

a) Assistance in the application and transfer of technologies, use of equipment at the technical establishments, incubators and coworking spaces, provision of instruction on testing and completing new products, services and business models;

b) Assistance in advanced training in development of products, investment attraction, providing advice on intellectual property, carrying out the procedures related to technical regulations and standards, measurement and quality;

c) Assistance in communication, publicity, promotion, connection of startups and attraction of investment from venture capital funds;

d) Assistance in commercialization of the results of scientific research and technological development, exploitation and development of intellectual property;

dd) From time to time, the Government shall introduce policies on interest rate subsidy on loans taken by startups. The subsidy on interest rate is provided by credit institutions.

3. The Government shall elaborate this Article.

## **Article 18. Investment in startups**

1. Investors in startups shall include venture capital funds and domestic and foreign organizations and individuals doing business via contribution of capital to establishment of startups, purchase of shares or stakes of startups.
2. A venture capital fund which is created from investments of private investors aims to invest in startups according to the following principles:
  - a) The amount of investment in a startup shall not exceed 50% of charter capital of the post-investment startup;
  - b) The private investor who contributes to the fund shall be financially capable and take the responsibility for his/her stakes.
3. The investors in startups prescribed in Clause 1 of this Article will be entitled to exemption or reduction of corporate income tax on revenues from their investment in startups for limited period of time in accordance with regulations of law on corporate income tax.
4. According to the local government budget, the provincial People's Committee shall send the provincial People's Council the decision on assigning state-owned finance organizations of the province to invest in startups according to the following principles:
  - a) The eligible venture capital funds shall be selected to invest in startups;
  - b) Investments from the local government budget shall not exceed 30% of total capital raised from eligible venture capital funds selected by the startups;
  - c) The investments shall be transferred to private investors within 05 years from the day on which the stake is contributed. The transfer of investments shall comply with regulations of law on management and use of the state capital invested in business activities of enterprises.
5. The Government shall elaborate this Article.

#### **Article 19. Assistance for SMEs joining business clusters and value chains**

1. An SME that joins a business cluster and value chain in production and processing area will receive assistance if it:
  - a) creates products that gain competitive advantages in terms of quality and cost; or
  - b) innovates the technological process, materials, spare parts, machinery and equipment.
2. Such an SME mentioned in Clause 1 of this Article is entitled to the following forms of assistance:
  - a) Provision of advanced training in the production technology and technique; provision of consultancy related to technical regulations and standards, measurement and quality and strategies for product development according to business clusters and value chains;
  - b) Provision of information about the demand for connection, production and business of SMEs joining business clusters and value chains;
  - c) Assistance in brand development, expansion into product markets of business clusters and value chains;
  - d) Assistance in test production, assessment, verification and certification of the quality of products of SMEs joining business clusters and value chains;
  - dd) From time to time, the Government shall introduce policies on interest rate subsidy on loans taken by SMEs joining business clusters and value chains. The subsidy on interest rate is provided by credit institutions.
3. The Government shall elaborate this Article. The assistance for SMEs joining business clusters and value chains that are not related to the production and processing field shall be decided by the Government after opinions of the Standing Committee of National Assembly are received.

#### **Article 20. SME development funds**

1. SME development fund is a non-profit state financial fund that is not funded by the state budget and is established by the Prime Minister to:
  - a) grant loans and sponsorships to startups and SMEs joining business clusters and value chains;

b) receive and manage loans, sponsorship, aids, contributions and trusts of organizations and individual to assist SMEs.

2. The Government shall elaborate this Article.

### **Chapter III**

## **RESPONSIBILITIES TO PROVIDE ASSISTANCE FOR SMEs**

### **Article 21. Responsibilities of the Government**

1. Perform uniform state management of assistance for SMEs.
2. Estimate costs of providing assistance for SMEs in the cost estimate of the state budget and submit it to National Assembly for consideration and decision in accordance with regulations of law on state budget.
3. Introduce policies on encouraging organizations and individuals to use non-state resources to provide assistance for SMEs.

### **Article 22. Responsibilities of the Ministry of Planning and Investment**

1. Assist the Government in performing uniform state management of assistance for SMEs. Consolidate and submit a report on provision of assistance for SMEs to the Government and the Prime Minister.
2. Regulate and identify targets, subjects and focuses of provision of assistance to formulate and execute plans, programs and projects on provision of assistance for SMEs nationwide; preside over and cooperate with Ministries and ministerial authorities in using investment and development funds to assist SMEs in accordance with regulations of this Law.
3. Provide training for officials and public employees in the assistance for SMEs.
4. Preside over and cooperate with the Ministry of Finance, the State Bank of Vietnam, Ministries and other ministerial agencies in establishing an information system for assigning credit ratings to SMEs.

### **Article 23. Responsibilities of the Ministry of Finance**

1. Provide instructions on tax administrative procedures and the accounting regime for SMEs and instruction on the implementation of policies on tax and fees applied to SMEs.
2. Preside over and cooperate with Ministries and ministerial authorities in using sources of capital for assisting SMEs in accordance with regulations of this Law and other relevant regulations of law.
3. Publish information about the compliance with regulations of law on tax and customs and the fulfillment of other financial obligations of SMEs to establish an information system for assigning credit ratings to SMEs.

### **Article 24. Responsibilities of Ministries and ministerial agencies**

1. Ministries and ministerial agencies shall, within their jurisdiction:
  - a) promulgate or request competent authorities to promulgate policies on assistance for SMEs;
  - b) carry out, monitor, inspect and analyze the provision of assistance for SMEs;
  - c) organize production of statistics and publishing of information about SMEs;
  - d) instruct SMEs to join business clusters and value chains;
  - dd) give priority to providing resources to assist SMEs.
2. The Ministry of Industry and Trade shall instruct SMEs to join business clusters and value chains.
3. The Ministry of Science and Technology shall provide the instruction on the establishment of incubators, technical establishment and coworking spaces and assist SMEs in strengthening the technological capacity.
4. The Ministry of Natural Resources and Environment shall instruct local governments to allocate land for the establishment and development of industrial clusters and processing zones for agricultural, forestry, fishery and seafood products.

5. The State bank of Vietnam shall organize the implementation of the Government's policies on the assistance for credit institutions in increasing maximum loans granted to SMEs.

#### **Article 25. Responsibilities of provincial governments**

1. The People's Council of a province shall:

- a) Comply with the regulations in Clauses 1 and 2 Article 11, Clause 4 Article 18 of this Law;
- b) Promulgate policies and distribute resources to assist SMEs in the province and decide the cost estimate of the assistance for SMEs in accordance with regulations of law on the state budget;
- c) Supervise the compliance with regulations of law on providing assistance for SMEs in the province.

2. The People's Committee of a province shall:

- a) Formulate and implement plans for the assistance for SMEs in the province and plans and programs for provision of assistance for SMEs converted from household businesses;
- b) Inspect and evaluate the provision of assistance for SMEs in the province and submit a report to the competent authority;
- c) Commend SMEs that have achievements, foster innovation and make contribution to the socio-economic development of the province.

#### **Article 26. Responsibilities of social organizations and socio-professional organizations for providing assistance for SMEs**

1. Represent and protect rights and legal interests of members that are SMEs and mobilize resources for assisting SME member.
2. Introduce, comment and implement policies related to assistance for SMEs and assess programs for providing assistance for SMEs.
3. Provide SME assistance services in accordance with regulations of law and their charters.
4. Promote the association between large enterprises and SMEs.

#### **Article 27. Responsibilities of providers of SME assistance services**

1. Provide SME assistance services under the conditions and agreements with authorities and organizations providing assistance for SMEs (hereafter referred to as "assisting authority") in accordance with regulations of this Law and assist SMEs in complying with administrative procedures.
2. Promptly, sufficiently and accurately provide information and documents for assisting authorities to prove and confirm the provision of assistance services for SMEs.
3. Take legal responsibility and be accountable to assisting authorities according to the contract for provision of SME assistance service.
4. Join and cooperate with competent authorities in the establishment, management and operation of assisting SMEs via the public private partnership or other forms in accordance with regulations of law.

#### **Article 28. Responsibilities of SMEs**

1. Promptly, sufficiently and accurately provide information and documents as requested by assisting authorities and organizations and take legal responsibility for the provided information and documents.
2. Comply with regulations of law and discharge obligations to the State.
3. Comply with the commitments made to the assisting authorities.
4. Distribute reciprocal resources to receive, cooperate and use effectively resources for assistance.

#### **Article 29. Publishing information about assistance for SMEs**

1. Assisting authorities shall publish the contents of, programs for and results of assistance for SMEs and other relevant information.



2. The information about assistance for SMEs shall be:

- a) openly posted at the assisting authorities;
- b) published on mass media, websites of the assisting authorities and national SMEs website portal.

3. The information about assistance for SMEs shall be made publicly available within 30 days from the day on which the contents of and program for assistance for SMEs prescribed in Clause 1 of this Article are approved by the competent authorities.

#### **Article 30. Inspection and supervision of assistance for SMEs**

1. Competent authorities, sponsoring organizations and individuals shall inspect and supervise the execution of contents and programs for the assistance for SMEs in accordance with regulations of law.

2. Contents of the inspection and supervision include:

- a) Selection of beneficiary and implementation of procedures for and forms of assistance for SMEs;
- b) The compliance with regulations of law on the management and use of funding for assistance for SMEs;
- c) The publishing of information about assistance for SMEs prescribed in Article 29 of this Law.

#### **Article 31. Assessment of assistance for SMEs**

1. Authorities and organizations that take charge of provision of assistance for SMEs shall assess results of execution and foreseen impacts on assisted SMEs and publish assessment results in the manners prescribed in Clause 2 Article 29 of this Article.

2. The Ministry of Planning and Investment shall regularly carry out independent assessment of contents of and programs for assistance for SMEs.

#### **Article 32. Actions against the violations of law on provision of assistance for SMEs**

1. SMEs, organizations and individuals violating the regulations of this Law shall incur penalties according to regulations of law.

2. Decisions on imposition of penalties on authorities, organizations and individual committing violations against the law on provision of assistance for SMEs shall be published on websites of the assisting authorities and national portal on assistance for SMEs.

### **Chapter IV**

## **IMPLEMENTATION CLAUSE<sup>[4]</sup>**

#### **Article 33. Amendments to certain articles of relevant laws**

1. Certain Articles of Law on Investment No. 67/2014/QH13 are amended as follows:

a) Point o Clause 1 of Article 16 is amended as follows:

“o) Business investment in distribution chain of SMEs’ products; business investment in technical establishment providing the assistance for SMEs and incubators of SMEs; business investment in coworking spaces serving SMEs and startups in accordance with regulations of law on assistance for SMEs”;

b) Clause 2 of Article 19 is amended as follows:

“2. The Government shall elaborate forms of the assistance in investment prescribed in Clause 1 of this Article which are applied to high-tech enterprises, science and technology enterprises, science and technology organizations, enterprises investing in agriculture and rural areas, enterprise investing in education, dissemination of law and other beneficiaries in conformity with socio-economic development from time to time.”.

2. Point c Clause 3 Article 14 of Law on Bidding No. 43/2013/QH13 is amended as follows:

“c) Bidders being micro-enterprises and small enterprises.”.

#### **Article 34. Effect**

This Law comes into force from January 01, 2018.

### **Article 35. Grandfather clauses**

1. From the day on which this Law comes into force, the assistance for SMEs provided before the effective date of this Law shall be provided according to approved contents, programs and plans; an SME which is entitled to the assistance prescribed in this Law shall comply with regulations of this Law.
2. From the day on which this Law comes into force, the agreements concluded by the SME development fund before the effective date of this Law shall remain effective unless otherwise agreed by parties.

**CERTIFIED BY  
CHAIRMAN**

**Nguyen Hanh Phuc**

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[1] The Law on Public - Private Partnership Investment No. 64/2020/QH14 is promulgated pursuant to:

*“The Constitution of the Socialist Republic of Vietnam;*

*The National Assembly hereby promulgates the Law on Public - Private Partnership Investment.”*

[2] This Clause is amended by Point a Clause 4 Article 99 of the Law on Public - Private Partnership Investment, which comes into force from January 01, 2021.

[3] This Clause is amended by Point b Clause 4 Article 99 of the Law on Public - Private Partnership Investment, which comes into force from January 01, 2021.

[4] Articles 100 and 101 of the Law on Public - Private Partnership Investment No. 64/2020/QH14, which comes into force from January 01, 2021, stipulate that:

**“Article 100. Effect**

1. *This Law comes into force on January 01, 2021, except the regulations specified in Clause 6 of Article 101 herein.*
2. *The Government and competent regulatory authorities shall elaborate on Clauses and Articles set forth in this Law.*

**Article 101. Transitional clauses**

1. *The projects in the sectors prescribed in clause 1 of Article 4 in this Law and meeting the minimum total investment requirements prescribed in clause 2 of Article 4 herein shall be subject to the following regulations:*

a) *In case where an investment policy decision has been made by a competent authority before the effective date of this Law, the next steps shall be taken in accordance with this Law. In case where the investment policy needs to be adjusted, regulations laid down in Article 18 herein shall be observed;*

b) *In case where the feasibility study report has been approved by a competent authority before the effective date of this Law, next steps shall be taken in accordance with this Law without having to go through the project approval procedures as per this Law; the contents specified in Clause 6 Article 23 of this Law must be additionally approved in case investor selection has not yet been organized;*

c) *As for projects falling into the cases specified at Points a and b of this Clause, if the state capital contribution ratio in a PPP project is greater than the rate specified in Clause 2 Article 69 of this Law, any adjustment to the state capital ratio shall not be required.*

2. *Projects that are not in the sectors specified in Clause 1 of Article 4 of this Law or fail to meet the minimum total investment requirements specified in Clause 2 of Article 4 of this Law, and projects without the prequalification requirement in which investor prequalification results have not been approved yet or the invitations for bid or requests for proposal have not yet been issued, until the effective date of this Law shall be halted.*

3. *PPP projects in which investor selection is occurring shall be subject to the following regulations:*

a) *In case where their investor prequalification results have been approved before the effective date of this Law, they may be continued in accordance with this Law;*

b) *In case where the invitation for bid or the request for proposal has been issued before the effective date of this Law but the bid is closed after December 31, 2020, the bid solicitor shall be responsible for extending the bid closing time to improve the invitation for bid or the request for proposal in accordance with this Law provided that such action does not result in any adjustment to the approved investment policy and feasibility study report;*

c) *In case where the results of investor selection are available, but the contract negotiation and conclusion happens after the effective date of this Law, the contracting authority shall negotiate and sign the contract, based on the results of investor selection, bidding documents, proposal, invitation for bid and request for proposal in accordance with this Law without resulting in any adjustment to the approved investment policy and feasibility study report.*

4. *Project contracts signed before the effective date of this Law may continue to be executed under contractual terms and conditions.*

5. *From the effective date of this Law, the transition of Build - Transfer (BT) contracts shall be as follows:*

a) *Projects where bidding documents or requests for proposal have not been issued yet shall be suspended; in case where bidding documents or requests for proposal have already been issued, they shall be continued based on the invitations for bid, requests for proposals and legislative regulations at the time of issuance of these invitations for bid or requests for proposal;*

b) *With regard to projects where investor selection results are obtained before the effective date of this Law, the contracting authority shall negotiate and sign the contract, based on the results of investor selection, bidding documents, proposals, invitations for bid and requests for proposal, and legislative regulations valid at the time of issuance of invitations for bid or requests for proposal;*

c) *For projects which have signed contracts before the effective date of this Law, project execution and payment under regulations of BT contracts and legislative regulations valid at the time of contract conclusion shall be continued;*

d) *Implementation of new BT projects shall be disapproved.*

6. *Implementation of the projects under BT contracts that have not been approved for investment policy yet shall be suspended from August 15, 2020.*

7. *The Government shall elaborate this Article.”.*