

**Part I. LEGAL DOCUMENTS****THE GOVERNMENT****Decree No. 61/2010/ND-CP of June 4, 2010, on incentive policies for enterprises investing in agriculture and rural areas****THE GOVERNMENT**

*Pursuant to the December 25, 2001 Law on Organization of the Government;*

*Pursuant to the November 29, 2005 Investment Law;*

*Pursuant to the November 26, 2003 Land Law;*

*At the proposal of the Minister of Planning and Investment,*

**DECREES:***Chapter I***GENERAL PROVISIONS****Article 1.** Scope of regulation

This Decree provides a number of incentives and additional investment supports of the State for enterprises investing in agriculture and rural areas.

**Article 2.** Subjects of application

Investors entitled to incentives and supports provided in this Decree are enterprises established and registering operation under Vietnamese law and meeting conditions specified in Article 4 of this Decree.

**Article 3.** Interpretation of terms

1. Rural area means an administratively delimited area not embracing wards and urban districts of a town or city.

2. Agricultural sub-sectors eligible for special investment incentives include sub-sectors and trades specified in an appendix to this Decree and others decided by the Prime Minister in each period.

3. Agricultural project eligible for special investment incentives means a project in an agricultural sub-sector eligible for special investment incentives implemented in a geographical area on the list of geographical areas with extremely difficult socio-economic conditions prescribed by the investment law.

4. Agricultural project eligible for investment incentives means a project in an agricultural sub-sector eligible for special investment incentives implemented in a geographical area on the list of geographical areas with difficult socio-economic conditions prescribed by the investment law.

5. Agricultural project eligible for investment promotion means an investment project in an agricultural sub-sector eligible for special investment incentives implemented in a rural area.

**Article 4.** Conditions for enjoying incentives and investment supports

1. Investors with agricultural projects eligible for special investment incentives, projects eligible for investment incentives or projects eligible for investment promotion defined in Article 3 of this Decree are entitled to investment incentives and supports under this Decree.

2. Investors with investment projects meeting the conditions specified in Article 3 of this Decree who began implementing these projects before

the effective date of this Decree are entitled to incentives and supports (if any) for the remaining duration. The State shall not refund sums of money these investors have previously paid for the implementation of their projects.

## Chapter II

### LAND INCENTIVES

#### **Article 5.** Land use levy exemption and reduction

1. An investor with an agricultural project eligible for special investment incentives using land allocated by the State is entitled to exemption from land use levy for this project.

2. An investor with an agricultural project eligible for investment incentives is entitled to a 70% reduction of land use levy payable into the state budget for this investment project.

3. An investor with an agricultural project eligible for investment promotion using land allocated by the State is entitled to a 50% reduction of land use levy payable into the state budget for this investment project.

#### **Article 6.** Land and water surface rent exemption and reduction

1. An investor with an agricultural project eligible for investment incentives or investment promotion leasing land and water surface of the State is entitled to the lowest rent rate within the land rent bracket prescribed by the provincial-level People's Committee.

2. An investor with an agricultural project eligible for special investment incentives is entitled to exemption from land and water surface rents from the date of completion and commissioning of this project.

3. An investor with an agricultural project

eligible for investment incentives is entitled to exemption from land and water surface rents for the first 15 years from the date of completion and commissioning of this project.

4. An investor with an agricultural project eligible for investment promotion is entitled to exemption from land and water surface rents for the first 11 years from the date of completion and commissioning of this project.

5. An investor with an agricultural project eligible for special investment incentives, investment incentives or investment promotion is entitled to exemption from land rents for land areas for the construction of workers' condominiums, the growth of trees and public welfare purposes.

#### **Article 7.** Land and water surface rent supports for households and individuals

1. An investor with an agricultural project eligible for special investment incentives renting land and water surface of households or individuals for this project is entitled to state supports equal to 20% of land and water surface rents according to the local land and water surface rent bracket for the first 5 years from the time of completion of capital construction.

2. Enterprises with agricultural projects eligible for special investment incentives, investment incentives or investment promotion are encouraged to accumulate land to form material zones through the form of contribution as capital of land use rights by households and individuals to projects without land recovery.

#### **Article 8.** Land use levy exemption and reduction upon change of land use purposes

1. An investor with an agricultural project eligible for special investment incentives included in a master plan approved by a

competent state agency is entitled to exemption from payable land use levy when changing the land use purpose.

2. An investor with an agricultural project **eligible** for investment incentives included in a master plan approved by a competent state agency is entitled to a 50% reduction of payable land use levy when changing the land use purpose.

### Chapter III

## INVESTMENT SUPPORTS

### Article 9. Human resource training supports

1. A mini enterprise with an agricultural project **eligible** for special investment incentives, investment incentives or investment promotion is entitled to state budget supports equal to 100% of domestic vocational training expenses not exceeding levels under current regulations.

2. A small-sized enterprise with an agricultural project **eligible** for special investment incentives, investment incentives or investment promotion is entitled to state budget supports equal to 70% of domestic vocational training expenses not exceeding levels under current regulations.

3. A medium-sized enterprise with an agricultural project **eligible** for special investment incentives, investment incentives or investment promotion is entitled to state budget supports equal to 50% of domestic vocational training expenses not exceeding levels under current regulations.

4. Each laborer shall be trained only once a year and the duration of training **eligible** for supports must not exceed 6 months.

State budget supports shall be allocated in cash either to provincial vocational training

institutions for providing training for enterprises mentioned in this Article that have training needs or to enterprises that directly provide on-site training.

### Article 10. Market development supports

1. Mini enterprises and small-sized enterprises with agricultural projects **eligible** for special investment incentives, investment incentives or investment promotion are entitled to state budget supports equal to 70% of expenses for business and product advertisement in the mass media of provinces and cities in which they make investment.

2. Medium-sized enterprises with agricultural projects **eligible** for special investment incentives, investment incentives or investment promotion are entitled to state budget supports equal to 50% of expenses for business and product advertisement in the mass media of provinces and cities in which they make investment.

3. Mini enterprises and small-sized enterprises with agricultural projects **eligible** for special investment incentives, investment incentives or investment promotion are entitled to state budget supports equal to 70% of expenses for domestic exhibitions and fairs and exempt from charges for accessing market and price information provided by trade promotion state agencies.

4. Medium-sized enterprises with agricultural projects **eligible** for special investment incentives, investment incentives or investment promotion are entitled to state budget supports equal to 50% of expenses for domestic exhibitions and fairs and a 50% reduction of payable charges for accessing market and price information provided by trade promotion state agencies.

**Article 11.** Consultancy service supports

1. Mini enterprises and small-sized enterprises with agricultural projects eligible for special investment incentives, investment incentives or investment promotion are entitled to state budget supports equal to 50% of actual expenses for hiring consultants on investment, administration, market research, law, intellectual property, scientific research, technology transfer and application of advanced quality management systems to production not exceeding levels under current regulations.

2. Medium-sized enterprises with agricultural projects eligible for special investment incentives, investment incentives or investment promotion are entitled to state budget supports equal to 30% of actual expenses for hiring consultants on investment, administration, market research, law, intellectual property, scientific research, technology transfer and application of advanced quality management systems to production not exceeding levels under current regulations.

**Article 12.** Science and technology application supports

Enterprises with agricultural projects eligible for special investment incentives, investment incentives or investment promotion are entitled to supports from the Scientific and Technological Development Support Fund equal to 50% of expenses for carrying out researches initiated by the enterprises themselves to create new technologies for executing those projects; and equal to 30% of total new investments for carrying out trial production projects approved by competent authorities (existing equipment and workshops must be excluded from total investment level).

**Article 13.** Freight supports

1. Investors with agricultural projects eligible for special investment incentives are entitled to state budget supports equal to part of freights for the transportation of output products of these projects for domestic sale from place of production to place of sale, provided the distance between these places is 100 km or longer.

2. State budget supports are equal to 50% of actual freights but must not exceed VND 500,000,000/enterprise/year and may be allocated only for investment projects with adequate valid documents and bills of lading.

*Chapter IV*

**IMPLEMENTATION PROVISIONS**

**Article 14.** Effect

This Decree takes effect on July 25, 2010.

**Article 15.** Implementation guidance responsibilities

The Ministers of: Planning and Investment; Finance; Science and Technology; Industry and Trade; Agriculture and Rural Development; Labor, War Invalids and Social Affairs; and Natural Resources and Environment, and the State Bank of Vietnam shall, within the ambit of their respective functions and tasks guide the implementation of this Decree.

**Article 16.** Implementation responsibilities

Ministers, heads of ministerial-level agencies, heads of government-attached agencies and chairpersons of provincial-level People's Committees shall implement this Decree.-

*On behalf of the Government*

Prime Minister

NGUYEN TAN DUNG

**Annex****LIST OF AGRICULTURAL SUB-SECTORS  
ELIGIBLE FOR SPECIAL INVESTMENT  
INCENTIVES**

*(To the Government's Decree No. 61/2010/ND-CP of June 4, 2010)*

1. Growing and tending of herbal forests and trees.
2. Culture of agricultural, forest and fishery products on uncultivated land, unused water areas, the sea and islands.
3. Offshore fishing.
4. Production and development of plant varieties and livestock breeds, forest tree varieties and aquatic and marine animal breeds.
5. Salt making, exploitation and refining.
6. Construction of clean water supply, environmental sanitation and water drainage systems.
7. Production of plant protection drugs, pesticides, drugs for preventing and curing diseases of terrestrial and aquatic animals, and veterinary drugs and their materials.
8. Construction of grade-1 markets and product exhibition and introduction centers in rural areas.
9. Application of biotechnologies.
10. Production and processing of cattle, poultry and aquatic animal feeds.
11. Construction, renovation and upgrading of concentrated and industrial-scale poultry and cattle slaughtering, preservation and processing establishments.
12. Processing of agricultural, forest and aquatic products; post-harvest preservation of agricultural, forest and aquatic products.
13. Medium- and small- sized hydropower plants (of group B or smaller); new energy; solar power, wind power, biogas, geothermal and tidal power projects; and renewable energy projects, regardless of their size.
14. Pollution treatment and environmental protection.
15. Collection and treatment of wastewater, exhaust gas and solid wastes; recycling and reuse of wastes.
16. Construction of agricultural and rural infrastructure works to serve production, business and daily-life activities of rural communities; construction of infrastructure works of industrial clusters.
17. Manufacture of machines for agricultural production, silviculture, fishery and salt making, food processing machines and irrigation equipment.
18. Building of eco-tourist zones, national tourist zones; cultural parks with sports, entertainment and leisure activities.
19. Hi-tech development and nursery.
20. Building and development of consolidated material zones to serve processing industries.
21. Concentrated poultry and cattle raising and production.
22. Construction of trade infrastructure facilities: supermarkets, trade centers, warehouses and logistics centers.
23. Technical services of growing industrial and forest trees; crop and livestock protection services.
24. Services of scientific and technical counseling on sowing and cultivation, husbandry, aquaculture, animal health and plant protection.
25. Anti-epidemic sanitation services in rural areas.
26. Production of fine-art articles and handicrafts and traditional cultural products.
27. Production of paper, cardboard and artificial boards from domestic agricultural and forest materials; production of pulp.
28. Cloth weaving and finishing of textile products; production of fibers and yarns of all kinds; tanning and preliminary processing of leather, and production of equipment and machines for textile, garment and leather industries.-