

**THE GOVERNMENT**

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**THE SOCIALIST REPUBLIC OF VIETNAM**

**Independence - Freedom - Happiness**

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*Hanoi, May 22, 2018*

## **DECREE**

### **MANAGEMENT OF INDUSTRIAL PARKS AND ECONOMIC ZONES**

*Pursuant to the Law on Government Organization dated June 19, 2015;*

*Pursuant to the Law on Investment dated November 26, 2014;*

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

*The Government hereby issues the Decree on management of industrial parks and economic zones.*

## **Chapter I**

### **GENERAL PROVISIONS**

#### **Article 1. Scope and subjects of application**

1. This Decree prescribes planning, establishment and operation of, policies on, and state management of, industrial parks and economic zones.
2. This Decree is applied to regulatory bodies, organizations and individuals involved in investment and business activities in industrial parks and economic zones.

#### **Article 2. Interpretation**

For the purposes of this Decree, terms used herein shall be construed as follows:

1. Industrial park means an area that is enclosed by definite boundaries, specializes in production of industrial goods and provision of services satisfying the industrial production needs and is established in conformity with conditions, procedures and processes prescribed in this Decree.

Industrial park is classified into different types such as export processing zone, auxiliary industrial area, eco-industrial park (hereinafter referred to as industrial park), unless each type is otherwise subject to particular regulations.

- a) Export processing zone means an industrial park specially intended for manufacture of exported goods, rendering of services meeting the needs of production of exported goods and is

established in conformity with conditions, processes and procedures as applied to industrial parks in accordance with this Decree.

Export processing zone is separate from outside in accordance with regulations so applied to free trade zones prescribed in laws on import and export duties;

b) Auxiliary industrial area means an industrial park specializing in manufacturing auxiliary industrial products and rendering services satisfying the needs of manufacture of these products. The maximum area of land leased or re-let to develop projects on investment in auxiliary industries shall account for 60% of the area of rentable industrial land within the boundaries of an industrial park;

c) Eco-industrial park means an industrial park in which enterprises get involved in cleaner production, make effective use of natural resources and enter into manufacturing cooperation and affiliation in order to tighten industrial symbiosis to promote economic, environmental and social efficiency in these enterprises.

2. Industrial symbiosis existing in an industrial park means cooperation between enterprises within an industrial park or with enterprises operating in other industrial parks in order to optimize the use of input and output factors, such as raw materials, water, energy, wastes and waste products, etc., during the manufacturing process. By virtue of cooperation, enterprises can build a network intended for exchanging factors necessary for production activities, share infrastructure and utilities necessary for production, improve the technological process and promote business and production efficiency.

3. Industrial – urban – service area comprises functional zones, including the industrial park assigned as the main functional zone; the urban - service area which is designed to have such functions as support and provision of public utilities for the industrial park (including functional subdivisions such as houses, hospitals, schools, research and development centers, business incubators and other socio-economic projects necessary for consistent and sustainable development of the entire area), and which is the destination of investments in assuring effective and sustainable economic, social and environmental development in the industrial area. The maximum size and acreage of the urban – service area shall not be one-third (1/3) more than the size and area of the industrial park.

4. Expansion of an industrial park means an industrial park whose dimensions are supplemented with bordering or contiguous areas, may be linked with and share engineering infrastructure with previously established industrial parks.

5. An industrial subdivision means a dimensional part of an industrial park which is enclosed with definite boundaries, corresponds with the planning for construction of that industrial park, and specializes in manufacture of goods and provision of services that meet the needs of production in certain particular industrial sectors.

6. Project on investment in development of infrastructure in an industrial park means an investment project using land lots within its boundaries for consistent development of

engineering infrastructure and for leasing or on-lending purposes in order for the lessee to build its premises and run carry on business in accordance with laws.

7. Economic zone means an area which is defined by geographical boundaries, includes functional zones and is established to serve the purpose of calling for investments, promoting socio-economic development and maintaining national defence and security.

Economic zone referred to in this Decree shall encompass coastal economic zones and border-gate economic zones (hereinafter referred to as economic zone, unless particular regulations otherwise apply to each classification of economic zone);

a) A coastal economic zone is an economic zone which is formed in the coastal area and adjacent areas of the coastal zone, established according to the conditions, processes and procedures prescribed in this Decree;

b) The border-gate economic zone is an economic zone formed in the land border areas and adjacent areas of the land border areas with international border gates or principal border gates, and established according to the conditions, processes and procedures as prescribed in this Decree.

8. Expansion of an economic zone means the development of more land in neighboring or adjacent areas to enhance developmental potentials and spillover of the economic zone.

9. The area of industrial land is the land area of an industrial park which is leased or on-lent to investors to carry out investment projects on production and business in the industrial park, and determined in the detailed planning and zoning for construction of the industrial park which are approved by regulatory authorities.

10. Export processing enterprise means a company which is established and operated within an export processing zone, or an enterprise specializing in manufacturing exported products within an industrial park or economic zone.

Export processing enterprise which is not located in export processing zones shall be separated from the outside area as per the regulations on non-tariff areas laid down in the import and export tax law.

11. The planning for development of industrial parks and economic zones across the nation is a planning scheme which is formulated and approved in accordance with the law on planning and under the provisions of this Decree.

12. The occupancy rate of an industrial park means the proportion (%) of industrial land that has been leased or on-lent to investors for production and business purposes to total industrial land area of an industrial park.

13. Social, cultural and sports facility serving the needs of an industrial park and economic zone means all works directly providing utility services to meet the human, cultural and physical training needs of workers in that industrial park or economic zone.

## **Chapter II**

### **INDUSTRIAL PARK AND ECONOMIC ZONE DEVELOPMENT PLANNING AND INVESTMENT**

#### **Section 1. INDUSTRIAL PARK AND ECONOMIC ZONE DEVELOPMENT PLANNING AND INVESTMENT**

##### **Article 3. Industrial park development planning**

1. Based on the socio-economic development strategy, the national master plan and the national and provincial-level land use planning, the Ministry of Planning and Investment shall assume primary responsibility for, and collaborate with relevant ministries, sectoral administrations and People's Committees of centrally-affiliated cities and provinces (hereinafter collectively referred to as provincial People's Committees) in, formulating and applying for the Prime Minister's approval for the planning for development of industrial parks.

2. The planning for location of industrial parks within economic zones shall be incorporated into the general planning for construction of economic zones and shall be submitted to the Prime Minister to seek his/her approval under the provisions of law on construction. In cases where an industrial park already exists in the general economic zone construction planning already approved by the Prime Minister, it is not required to carry out regulatory procedures for addition of that industrial park to the industrial park development planning.

3. The planning for development of industrial parks and the approved general planning for construction of economic zones shall serve as a basis for assessment of investment, establishment and expansion of industrial parks; formulation of the investment planning and proposal for development of technical and social infrastructure systems necessary for the development of industrial parks.

##### **Article 4. Processes for planning, establishing and expanding industrial parks**

1. Documentation and application requirements for revision of the planning, supplementation of the industrial park development planning with industrial parks shall be subject to regulations laid down in Article 6, Article 7, Article 8, Article 9, Article 10 and Article 11 hereof.

With respect to revision and supplementation of the planning for location of industrial parks within economic zones, documentation and application requirements shall be the same as those requirements for revision of the general planning for construction of economic zones under construction laws.

2. Processes and procedures for grant of a decision on the investment policy for investment projects for development of infrastructure of industrial parks, including industrial parks located within economic zones shall be subject to the investment law, except for investment projects for development of infrastructure of industrial parks funded by public investment funds which are subject to the public investment law.

3. Processes and procedures for granting the investment registration certificate to investment projects for development of infrastructure of industrial parks shall be subject to the investment law.

4. Provincial People's Committees shall issue the decision on establishment of industrial parks and expanded industrial parks as per Article 13 hereof.

**Article 5. Requirements for supplementation of the planning for development of industrial parks with newly-established industrial parks or expanded industrial parks**

1. In the case of supplementation of the planning with newly-established industrial parks, the total industrial land area of established industrial zones within a centrally-affiliated city and province which has been leased or subleased to projects granted investment registration or Certificate of registration of investment shall be at least 60%.

2. With respect to supplementation of the planning with industrial parks formed through expansion of previously established ones, the following requirements must be satisfied:

a) A previously established industrial park must have at least 60% of its total rentable area of industrial land which is leased and subleased to registered investment projects or those to which investment certificates are awarded, and has already had the central wastewater treatment system which has been constructed and brought into operation in accordance with laws on environment;

b) An expanded industrial park must be capable of having connection in terms of infrastructure with the previously established industrial park.

3. These industrial parks must conform to the regional or provincial planning.

4. There must be favorable conditions or capabilities of development of the engineering and social infrastructure, and such planning must be implemented consistently and closely connected with the planning for development of industrial parks, population distribution, social, cultural and sports facilities necessary for workers at these industrial parks.

5. The planning must have conditions necessary for development of these industrial parks, including:

a) Have the land reserve for development of and conditions for building of links to other industrial parks to establish clusters of industrial parks;

b) Have potential for attraction of investments made by domestic and foreign investors;

c) Have capabilities of providing and satisfying demands for workers.

6. The planning must ensure conformity with requirements concerning national defense, security and protection of natural resources, historical, cultural relics and spectacular scenery.

7. Conditions relating to the occupancy rate as referred to in Clause 1 of this Article shall not be applied to the following cases in which the planning for development of industrial parks is supplemented:

a) Adjust or change the planned position of an industrial park already specified in the planning for development of industrial parks, but avoid increasing the area of that industrial park;

b) Adjust the planning for development of industrial parks located within relevant local jurisdictions, but avoid increasing the total land area planned for development of industrial parks in each local jurisdiction which has already been approved by the Prime Minister.

**Article 6. Documentation submitted to apply for supplementation of the planning for development of industrial parks with newly-established industrial parks or expanded industrial parks**

1. The planning scheme for development of industrial parks within a centrally-affiliated city and province, including the following subject matters:

a) Necessity and legal bases for the addition of industrial parks and expanded industrial parks;

b) Evaluation of implementation of the planning and propose orientations towards socio-economic and industrial development within centrally-affiliated cities and provinces;

c) Evaluation of the current status of construction and development of industrial parks already set up and planned within centrally-affiliated cities and provinces, and contribution of industrial parks to the local socio-economic development;

d) Name, location, acreage, current state and specific conditions for development of each industrial park proposed to be added and expanded in the planning;

dd) Evaluation and explanatory report on capability of satisfying conditions specified in Article 5 hereof;

e) Objectives and measures for implementation of the planning; possibility of mobilizing finances for investment in construction and development of industrial parks;

g) Alternatives included in the planning for development of industrial parks which are displayed on the planning map.

2. The report submitted to the Prime Minister by provincial People's Committees to seek his approval of supplementation of the planning for development of industrial parks with newly-established or expanded industrial parks.

3. Such documentation shall be made into 10 sets, comprising at least 02 original ones (01 original set submitted to the Prime Minister) and 09 sets submitted to the Ministry of Planning and Investment for evaluation purposes as prescribed in Article 7 hereof.

### **Article 7. Evaluation serving the purpose of supplementation of the planning for development of industrial parks**

1. Evaluated contents:

a) Legal bases and necessity of supplementation of the planning for development of industrial parks;

b) Relevance of supplementation of the planning for development of industrial parks to the regional and provincial planning;

c) Degree of conformity with relevant conditions for supplementation of the planning for development of industrial parks;

d) Objectives, measures and allocation of resources for and feasibility of supplementation of the planning for development of industrial parks.

2. Evaluation processes and procedures:

a) Within duration of 05 working days of receipt of application documentation for supplementation of the planning for development of industrial parks, the Ministry of Planning and Investment collects opinions from relevant ministries and sectoral administrations.

Where application documentation fail to meet regulations laid down in Article 6 hereof, the Ministry of Planning and Investment sends a written request to the provincial People's Committee for supplementation or revision of such documentation. Period of such supplementation or revision shall not be included in the evaluation time.

b) Within duration of 10 business days of receipt of valid documentation, ministries and sectoral administrations send their opinions to the Ministry of Planning and Investment.

Where necessary, the Ministry of Planning and Investment meets with relevant ministries, sectoral administrations and provincial People's Committees, or proceeds to establish the Evaluation Board to clarify related matters.

c) Within duration of 30 business days of receipt of valid documentation, the Ministry of Planning and Investment make a consolidated report and submit it to the Prime Minister to seek his decision.

## **Article 8. Decrease in the land area of industrial park and removal of industrial park from the planning for development of industrial parks**

1. Any industrial park already included in the planning shall have its approved planned land area decreased or removed from the planning for development of industrial parks to adapt to any change and modification of the related planning, and capability of attracting investments in such industrial park; to meet requirements concerning national defence, security, protection of the environment, natural resources, historical sites and cultural heritages; to meet the demands for transformation of purposes of the industrial park land into the land intended for construction of urban zones, houses, social, cultural and sports facilities serving the needs of workers at such industrial park.

2. Approval of a decrease in the land area of an industrial park, or removal of an industrial park from the planning for development of industrial parks, by competent authorities, shall serve as the basis for implementing procedures for revision of the planning for construction of industrial parks and transformation of purpose of the land area of industrial park in accordance with relevant laws.

## **Article 9. Documentation submitted to apply for a decrease in the land area of industrial park and removal of industrial park from the planning for development of industrial parks**

1. The report to the provincial People's Committee on a decrease in the land area of industrial park and removal of industrial park from the planning for development of industrial parks within a centrally-affiliated city or province, including the following main information:

- a) Necessity and legal bases for revision of the planning;
- b) Evaluation of the current status of construction and development of industrial parks already set up and planned within a centrally-affiliated city and province, and contribution of industrial parks to the local socio-economic development;
- c) The plan for reduction in the land area of the industrial park and removal of the industrial park from the planning, including name, position, current status, area of reduction and removal from the planning of the industrial park; reasons for such reduction and removal;
- d) Relevance of such reduction and removal to the local socio-economic development orientation; benefits and impacts of revision of the planning, and solutions.

Where reduction in the land area of the industrial park and removal of the industrial park from the planning serves the aim of transforming purpose of the land area of industrial park, it shall be necessary to additionally provide a detailed evaluation report on relevance to the regional and provincial planning; conformance to requirements for transformation of use of the land area of industrial park as prescribed in sector-specific laws (if any); feasibility, economic, social and environmental effects and impacts of transformation of land purposes.



2. The report submitted to the Prime Minister by the provincial People's Committee on a decrease in the land area of industrial park and removal of industrial park from the planning for development of industrial parks within a centrally-affiliated city or province.

3. Such documentation shall be made into 09 sets, comprising at least 02 original ones (01 original set submitted to the Prime Minister) and 08 sets submitted to the Ministry of Planning and Investment for evaluation purposes as prescribed in Article 10 hereof.

**Article 10. Evaluation of a decrease in the land area of industrial park and removal of industrial park from the planning for development of industrial parks**

1. Evaluated contents:

a) Legal bases and necessity of a decrease in the land area of industrial park and removal of industrial park from the planning for development of industrial parks;

b) Relevance of reasons for revision of the planning and the plan for such revision;

c) Assessment of relevance of the land use purpose adjustment; economic, social and environmental impacts caused by the plan for revision of the planning in the event of revision of the industrial park planning associated with revision of land uses.

2. Evaluation processes and procedures:

a) Within duration of 05 working days of receipt of application documentation for a decrease in the land area of the industrial park and removal of the industrial park from the planning for development of industrial parks, the Ministry of Planning and Investment collects opinions from relevant ministries and sectoral administrations.

Where application documentation fail to meet regulations laid down in Article 9 hereof, the Ministry of Planning and Investment sends a written request to the provincial People's Committee for supplementation and revision of such documentation. Period of such supplementation or revision by the provincial People's Committee shall not be included in the evaluation time.

b) Within duration of 10 business days of receipt of valid documentation, ministries and sectoral administrations send their opinions to the Ministry of Planning and Investment.

Where necessary, the Ministry of Planning and Investment meets with relevant ministries, sectoral administrations and provincial People's Committees, or proceeds to establish the Evaluation Board to clarify related matters.

c) Within duration of 20 business days of receipt of valid documentation, the Ministry of Planning and Investment make a consolidated report and submit it to the Prime Minister to seek his decision.

d) Where supplementation of the planning for development of industrial parks coincide with the decrease in the land area of the industrial park and removal of the industrial park from the planning for development of industrial parks, the proposal for adjustment of the planning for development of industrial parks is formulated and comprises relevant contents under respective circumstances as per Clause 1 Article 6 and Clause 1 Article 9 hereof.

Evaluation processes and procedures shall be subject to Clause 2 Article 7 hereof.

Evaluated contents in respective cases shall be subject to Clause 1 Article 7 and Clause 1 Article 10 hereof.

### **Article 11. Initial adjustment and adjustment of the land area of industrial park after surveying and change in the industrial park's name**

1. Where, in the first time of expansion of or decrease in the land area of industrial park, the land area subject to an adjustment is less than 10% of total approved planned land area, but restricted to 30 ha, and such expansion or decrease does not cause any impact on other planning schemes, after consulting opinions from the Ministry of Planning and Investment, the Ministry of Natural Resources and Environment, the Ministry of Construction, and other relevant ministries or sectoral administrations, the provincial People's Committee shall make a decision on such adjustment without needing to apply for the Prime Minister's approval.

2. Where the actual land area of industrial park after the surveying process is adjusted to less than 10% of total approved planned land area, but restricted to 20 ha, the provincial People's Committee shall be required to consult opinions from the Ministry of Planning and Investment, the Ministry of Natural Resources and Environment and the Ministry of Construction, and make such adjustment to ensure the land area of industrial park is commensurate with the actual land area without needing to apply for the Prime Minister's approval.

3. Where a change in the name of an industrial park does not entail any change in location, boundary and area of that industrial park according to the planning for development of industrial parks which has already been approved by the Prime Minister, the provincial People's Committee shall make its decision on such change without needing to seek the Prime Minister's approval and inform the competent planning regulatory body in writing.

4. In case of any adjustment to the land area of industrial park which is not covered by Clause 1 and Clause 2 of this Article, the Prime Minister's decision on such adjustment shall be sought in accordance with provisions laid down in this Decision.

### **Article 12. Requirements for consideration for grant of a decision on the policy on funding for projects on development of infrastructure of industrial parks or expanded industrial parks**

1. Conditions for consideration for grant of the policy on funding for projects on development of infrastructure of industrial parks:

- a) Correspond to the approved planning for development of industrial parks; the land use planning which has already been approved by the competent authority;
  - b) Have at least 60% of total industrial land area of previously established industrial parks within provinces or centrally-affiliated cities leased or subleased to projects applying for investment registration and investment registration certificate.
2. Conditions for consideration for grant of the policy on funding for projects on development of infrastructure of expanded industrial parks:
- a) Correspond to the approved planning for development of industrial parks; the land use planning which has already been approved by the competent authority;
  - b) With respect to previously established industrial parks, have the minimum occupancy rate of 60%;
  - c) Have already had concentrated wastewater treatment systems constructed and brought into operation in accordance with environmental laws.
3. In cases where infrastructure of an established industrial park and the expanded part of that industrial park is not funded by the same investor, conditions for considering granting the decision on the policy on investment in projects on development of infrastructure of that expanded part shall be applied in the same manner as the conditions applied to newly-established industrial parks as per Clause 1 of this Article.
4. Where industrial parks have had infrastructure development projects in which the policy on investment has been decided by the competent authority or which are awarded the Investment Permit, the Investment Certificate, the Certificate of Investment Registration and Industrial Park Establishment, but which are closed under investment laws and transferred to new investors, new investors' projects on development of infrastructure of industrial parks shall not be required to meet requirements concerning the occupancy rate referred to in Point b Clause 1 of this Article during the process of consideration for decision on the investment policy.
5. Where an industrial park covers an area of 500 ha or more, or before implementation of the planning for development of that industrial park, infrastructure systems of separate industrial parks or a complex of industrial zone, urban – service zone and other concentrated business zone in a master plan are developed by investments of various investors, it shall be mandatory that a general construction planning is formulated before drawing up the construction zoning and the detailed construction planning of that industrial park under laws on construction.
6. Where an industrial park covers an area of 200 ha or more, or is adjacent to national routes, national defence zones, historical relic conservation sites, scenic areas, ecosystem conservation zones at regional and national levels, national tourist sites and attractions, or is located within class-II, I and special-class cities, the planning for construction of that industrial park is formulated in reliance upon written opinions of the Ministry of Construction, the Ministry of Planning and Investment, sectoral administrations and the Ministry of National Defence (if that

industrial park is in the proximity of national defence zones) before being presented to the provincial People's Committee to seek its approval.

### **Article 13. Decision to establish industrial parks and expanded industrial parks**

1. The provincial People's Committee shall issue the decision on establishment of industrial parks and expanded industrial parks after competent authorities issues the following documents:

a) Decision on approval of the industrial park construction planning;

b) Certificate of investment registration or Decision on investment policy (with respect to projects exempt from the application requirement for the Certificate of investment registration as stated in construction laws), issued to investors in projects on development of industrial park infrastructure; decision on approval of investment policy and investment decision, both of which are issued by competent authorities, with respect to investment projects on development of infrastructure of industrial parks that are financed by public investment fund in accordance with laws on public investment.

2. Within duration of 05 working days after those documents referred to in Clause 1 of this Article have been issued, the industrial park and economic zone Management Unit, or the Department of Planning and Investment (if the former has not been established yet), shall request the provincial People's Committee to issue the approval decision on establishment of industrial parks or expanded industrial parks.

Within duration of 05 days of receipt of the written request from the industrial park and economic zone Management Unit or the Department of Planning and Investment, the provincial People's Committee shall issue a decision on establishment of industrial parks and expanded industrial parks.

3. The decision on establishment of industrial parks and expanded industrial parks issued by the provincial People's Committee shall comprise the following information, such as name, acreage and location of the industrial park, investors, total investment and duration of the project on development of infrastructure of the industrial park, which must be consistent with information included in those documents referred to in Clause 1 of this Article.

4. In case where any change of information included in those documents stated in Clause 1 of this Article entails any adjustment to information included in the Decision on establishment of industrial parks and expanded industrial parks, the adjustment to the Decision on establishment of industrial parks and expanded industrial parks shall be made according to processes and procedures stipulated in Clause 2 of this Article.

## **Section 2. PLANNING FOR DEVELOPMENT AND ESTABLISHMENT OF ECONOMIC ZONES**

### **Article 14. Planning for development of economic zones**

1. Based on the socio-economic development strategy, the national master plan and the national and provincial-level land use planning, the Ministry of Planning and Investment shall assume primary responsibility for, and collaborate with relevant ministries, sectoral administrations and People's Committees of centrally-affiliated cities and provinces (hereinafter collectively referred to as provincial People's Committee) in, formulating and applying for the Prime Minister's approval of the planning for development of economic zones.

2. The approved planning for development of economic zones shall serve as a basis for considering establishment and expansion of economic zones; formulating the planning and proposal for investment in development of technical and social infrastructure serving economic growth needs.

#### **Article 15. Processes for planning, establishing and expanding economic zones**

1. In cases where economic zones or expanded economic zones have not already existed in the approved planning for development of economic zones, it is mandatory to implement regulatory procedures for supplementing the planning for development of economic zones with newly-established or expanded economic zones in accordance with Article 17 and Article 18 hereof.

2. The planning for development of economic zones shall be supplemented with newly-established or expanded economic zones according to processes and procedures referred to in Article 21, Article 22 and Article 23 hereof.

#### **Article 16. Requirements for supplementation of the planning for development of economic zones with newly-established or expanded economic zones**

1. Requirements for supplementation of the planning for development of economic zones with coastal economic zones:

a) Conform to the socio-economic development planning and orientation of a centrally-affiliated city and province;

b) Have geographical advantages for the regional economic growth (including deepwater seaports or airports), and easy connection with main national and international traffic axes; promote easy control, domestic and international exchange; have favorable conditions and resources for investment in and development of technical infrastructure;

c) Cover an area of 10,000 ha or more and meet general requirements for development of economic zones;

d) Have capability of attracting construction and other projects which are large in scale, important and affect the socio-economic development of the whole region;

dd) Have capability of promoting local potentials and creating influence of development over adjacent areas;

e) Cause no adverse impact on nature reserves; cause no negative impact on and damage to tangible cultural heritages, scenic places, architectural ensembles of historical or aesthetic or scientific value; correspond to requirements concerning national defense structure and maintenance of national defense and security; have conditions necessary to satisfy requirements regarding environment, biophysical environment and sustainable development.

2. Requirements for supplementation of the planning for development of bordergate economic zones with newly-established bordergate economic zones:

a) Conform to the socio-economic development planning and orientation of the entire nation and specific centrally-affiliated cities and provinces;

b) Have international border gates or principal border gates according to the provisions of law on management of land border gates; encompass adjacent administrative units which are not spatially separated;

c) Have easy connection to national traffic axes; stimulate transactions with neighboring countries' land border gates; have favorable conditions and resources for investment in development of technical infrastructure;

d) Conform to requirements for general development of bordergate economic zones, including trade, import and export, temporary import for re-export, transport of goods in transit, industrial production, tourism and services; have conditions necessary to promote local and other adjacent areas' potentials; have capability of commercial development and investment attraction;

dd) Link economic development with maintenance of security, politics, social order and safety, and protection of national sovereignty at border areas;

e) Cause no adverse impact on nature reserves; cause no negative impact on and damage to tangible cultural heritages, spectacular scenes, and architectural ensembles of historical or aesthetic or scientific value; have conditions necessary to satisfy requirements regarding environment, biophysical environment and sustainable development.

3. Requirements for expansion of economic zones existing in the planning for development of economic zones:

a) Invest in development of a complete infrastructure of economic zone according to the general planning for construction of economic zones;

b) Have at least 70% of area of land intended for functional subdivisions of economic zones which has been allocated or leased out to organizations or individuals for project execution purposes.

**Article 17. Requirements for supplementation of the planning for development of economic zones with newly-established economic zones and expanded existing economic zones**

1. The proposal of the provincial People's Committee for the planning for development of economic zones within centrally-affiliated cities and provinces shall comprise the following subject matters:

- a) Necessity and legal bases for revision of the planning;
- b) Evaluation of the socio-economic development and orientation towards spatial arrangement of development; plan for socio-economic development, spatial arrangement for development, systems of traffic facilities, seaports and industries within centrally-affiliated cities and provinces;
- c) Evaluation of the current status of construction and development of industrial parks, economic zones and other special territories (if any) already set up and planned within centrally-affiliated cities and provinces;
- d) Evaluation of relevance of areas with the planning scheme for development of economic zones and connectivity between these areas and those with relevant planning schemes;
- dd) Overall assessment of the natural conditions, socio-economic development status, technical and social infrastructure systems in the planned economic zone; advantages and difficulties in compensation, site clearance, resettlement, environmental protection, national defense and security;
- e) Explanation for conformance to conditions for supplementation of the planning for development of economic zones as defined in Article 16 of this Decree;
- g) Evaluation of the roles and functions of economic zones in socio-economic development of provinces and centrally-affiliated cities, and regional development (if any); constraints and comparative advantages of areas with the planning for development of economic zones;
- h) Socio-economic development orientation of economic zone, including socio-economic development objectives; spatial arrangement for development; social and technical infrastructure systems, sectors and industries, which clearly specifies key sectors and industries;
- i) Plan for establishment and development of economic zones and implementation measures;
- k) Representation of alternative planning schemes for development of economic zones on the map of administrative subdivisions of centrally-affiliated cities and provinces; map of the current status of land use and orientation towards primary planning scheme of economic zones.

2. The report submitted to the Prime Minister by the provincial People's Committee to seek his approval of supplementation of the planning for development of economic zones with newly-established or expanded economic zones.

3. Such documentation shall be made into 10 sets, comprising at least 02 original ones (01 original set submitted to the Prime Minister) and 09 sets submitted to the Ministry of Planning and Investment for evaluation purposes as prescribed in Article 18 hereof.

**Article 18. Evaluation serving the purpose of supplementation of the planning for development of economic zones**

1. Evaluated contents:

- a) Legal bases and necessity of supplementation of the planning for development of economic zones;
- b) Relevance of supplementation of the planning for development of economic zones to the related regional and provincial planning;
- c) Roles and potentials of socio-economic development; capability of satisfying the conditions for supplementing the planning on development of economic zones;
- d) Feasibility of the plan for establishment and development of economic zones and implementation solutions.

2. Evaluation processes and procedures:

- a) Within duration of 05 working days of receipt of application documentation for supplementation of the planning for development of economic zones, the Ministry of Planning and Investment collects opinions from relevant ministries and sectoral administrations.

Where application documentation fail to meet regulations laid down in Article 17 hereof, the Ministry of Planning and Investment sends a written request to the provincial People's Committee for supplementation and revision of such documentation. Period of such supplementation or revision shall not be included in the evaluation time.

- b) Within duration of 15 business days of receipt of valid documentation, ministries and sectoral administrations send their opinions to the Ministry of Planning and Investment.

Where necessary, the Ministry of Planning and Investment meets with relevant ministries, sectoral administrations and provincial People's Committees, or proceeds to establish the Evaluation Board to clarify related matters.

- c) Within duration of 40 business days of receipt of valid documentation, the Ministry of Planning and Investment makes a consolidated report and submit it to the Prime Minister to seek his decision.

**Article 19. Documentation submitted to apply for an adjustment in acreage of economic zones existing in the planning for development of economic zones**



1. Cases in which the adjustment in acreage of economic zone is made:

a) Decreasing the planned area compared to the area specified in the approved planning for development of economic zones;

b) Increasing the planned area compared to the area specified in the approved planning for development of economic zones. The increased area shall not exceed 10%.

In other cases where the area of economic zone is increased, procedures and processes for supplementation of the planning for development of economic zones, prescribed in Article 16, Article 17 and Article 18 hereof, shall be applied.

2. Documentation submitted to apply for an adjustment in acreage of economic zones shall comprise:

a) Report of the provincial People's Committee for adjustment in the planning for development of economic zones within centrally-affiliated cities and provinces which include the following main information:

- Adjusted contents, necessity and legal bases for adjustment in the planning;

- Evaluation of the socio-economic development and orientation towards spatial arrangement of development; plan for socio-economic development, spatial arrangement for development, systems of traffic facilities, seaports, bordergates and industries within centrally-affiliated cities and provinces;

- Evaluation of the current status of construction and development of existing economic zones;

- Reasons and evaluation of relevance of adjustment in the planning to the relevant planning;

- Advantages, difficulties in and impacts on implementation of the objectives of socio-economic development, environment, national defense and security, and solutions to be adopted during the process of adjusting the planning for development of economic zones;

- Representation of alternatives for adjustment in the planning for development of economic zones on the map.

b) Report submitted to the Prime Minister by the provincial People's Committee to apply for his approval of adjustment in the economic zone planning included in the planning for development of economic zones.

3. Such documentation shall be made into 09 sets, comprising at least 02 original ones (01 original set submitted to the Prime Minister) and 08 sets submitted to the Ministry of Planning and Investment for evaluation purposes as prescribed in Article 20 hereof.

## **Article 20. Evaluation of adjustment in acreage of economic zones existing in the planning for development of economic zones**

### 1. Evaluated contents:

- a) Legal bases and necessity of adjustment in the planned acreage of economic zones existing in the planning for development of economic zones;
- b) Relevance of adjustment in the planning of economic zones to the national, regional and provincial planning;
- c) Plans and measures for adjustment in the planning of economic zones.

### 2. Evaluation processes and procedures:

- a) Within duration of 05 working days of receipt of application documentation for adjustment in acreage of the planned economic zone, the Ministry of Planning and Investment collects opinions from relevant ministries and sectoral administrations.

Where application documentation fail to meet regulations laid down in Article 19 hereof, the Ministry of Planning and Investment sends a written request to the provincial People's Committee for supplementation and revision of such documentation. Period of such supplementation or revision shall not be included in the evaluation time.

- b) Within duration of 10 business days of receipt of valid documentation, ministries and sectoral administrations send their opinions to the Ministry of Planning and Investment.

Where necessary, the Ministry of Planning and Investment shall meet with relevant ministries, sectoral administrations and provincial People's Committees to clarify related matters.

- c) Within duration of 30 business days of receipt of valid documentation, the Ministry of Planning and Investment makes a consolidated report and submit it to the Prime Minister to seek his decision.

## **Article 21. Documentation submitted to apply for establishment or expansion of economic zones**

### 1. Proposal of the provincial People's Committee for establishment and expansion of economic zones shall include the following main information:

- a) Necessity of and legal bases for establishment and expansion of economic zones, and relevance of these economic zones to the approved planning for development of economic zones;
- b) Evaluation of geographical, natural, natural resource and socio-economic factors and conditions, and advantages and disadvantages of the area to be developed into an economic zone.

- c) Evaluation and explanatory report on conditions set out in Article 16 hereof;
- d) Proposed development directions, including development objectives, nature and functions of economic zones; orientation towards development of sectors and industries; orientation towards development of functional areas; orientation towards the planning for use of land located within economic zones;
- dd) Estimation of total investment outlay, methods of mobilizing capital for investment in infrastructure systems of economic zones; time of establishment of economic zones; plan and schedule of construction and development of economic zones;
- e) Evaluation of the environmental protection, including general assessment of positive and negative impacts on the environment; identification of the affected environmental and socio-economic components and the extent of impacts upon establishment of economic zones; formulation of measures to protect the environment when the economic zones go into operation; Other contents (if any) according to the environmental legislation; Evaluation of national defense and security maintenance;
- g) Proposed solutions and implementation;
- h) Representation of alternatives for the planning of economic zones on the map.

2. Written appeal sent to the Prime Minister by the provincial People's Committee for establishment and expansion of economic zones.

3. Such documentation shall be made into 10 sets, comprising at least 02 original ones (01 original set submitted to the Prime Minister) and 09 sets submitted to the Ministry of Planning and Investment for evaluation purposes as prescribed in Article 22 hereof.

## **Article 22. Evaluation of establishment or expansion of economic zones**

1. Evaluated contents:

- a) Legal bases for and necessity of establishment and expansion of economic zones;
- b) Relevance of establishment or expansion of economic zones to the related regional and provincial planning;
- c) Objectives and indices of establishment and expansion of economic zones, and allocation of resources;
- d) Conditions for establishment or expansion of economic zones;
- dd) Measures to be taken and feasibility of establishment and expansion of economic zones.

2. Evaluation processes and procedures:

a) Within duration of 05 working days of receipt of application documentation for establishment or expansion of economic zones, the Ministry of Planning and Investment collects opinions from relevant ministries and sectoral administrations.

Where application documentation fail to meet regulations laid down in Article 21 hereof, the Ministry of Planning and Investment sends a written request to the provincial People's Committee for supplementation and revision of such documentation. Period of such supplementation or revision shall not be included in the evaluation time.

b) Within duration of 20 business days of receipt of valid documentation, ministries and sectoral administrations send their opinions to the Ministry of Planning and Investment.

Where necessary, the Ministry of Planning and Investment meets with relevant ministries, sectoral administrations and provincial People's Committees, or proceeds to establish the Evaluation Board to clarify related matters.

c) Within duration of 45 business days of receipt of valid documentation, the Ministry of Planning and Investment makes a consolidated report and submit it to the Prime Minister to seek his decision on establishment or expansion of economic zones.

### **Article 23. Authority over establishment or expansion of economic zones**

1. The Prime Minister shall have authority to grant a decision on establishment or expansion of economic zones where appropriate to the approved planning for development of economic zones.
2. Economic zones shall be organized into functional sections. Size and location of each functional section shall be defined in the general planning for construction of economic zones which is subject to the Prime Minister's approval decision.

## **Chapter III**

### **POLICIES APPLIED TO INDUSTRIAL PARKS AND ECONOMIC ZONES**

#### **Article 24. Incentive policies applied to industrial parks and economic zones**

1. Industrial park is deemed as an area given investment preferences or incentive policies which are applied to those present in the List of areas facing socio-economic difficulties as per laws on investment. Any industrial park established at areas in the List of areas facing socio-economic difficulties shall be given incentive policies so applied to those present in the List of areas facing extreme socio-economic difficulties as per laws on investment.
2. Economic zone is deemed as an area given investment preferences or incentive policies which are applied to those present in the List of areas facing extreme socio-economic difficulties as per laws on investment.

3. Beneficiaries, principles and procedures for grant of advantages to investment projects located within industrial parks or economic zones shall be subject to laws on investment.

4. The expenses for investment in construction, operation or renting of condominium apartments and social infrastructure for workers in industrial parks or economic zones shall be deductible expenses for calculation of the taxable income of an enterprise with investment projects implemented within these industrial parks or economic zones.

Investment projects on the construction of dwelling houses, cultural and sport works and social infrastructure serving the needs of workers in industrial parks or economic zones shall enjoy preferences according to law provisions on building of social housing and relevant legislation.

5. Investors and enterprises having investment projects in industrial parks or economic zones shall be assisted by competent authorities in carrying out administrative procedures for investment, enterprises, land, construction, environment, labor and trade under the "single-window or one-stop-shop" mechanism, and supporting labor recruitment and other related issues during the process of executing the project.

#### **Article 25. Methods of mobilizing capital for investment in construction of industrial parks**

1. Investment projects on development of industrial park infrastructure in areas facing socio-economic difficulties or areas with extreme socio-economic difficulties shall be entitled to financial support from the central budget for investing in infrastructure according to the target program of investment in infrastructure of industrial parks which is approved by a competent authority over periods.

2. The Provincial People's Committee shall balance its local budget to provide finances for investors' developing technical infrastructure systems inside and outside industrial parks; adopt policies to encourage investors and mobilize other lawful capital sources for investment in construction of industrial park infrastructure.

#### **Article 26. Methods of mobilizing capital for investment in development of technical and social infrastructure of industrial parks**

1. Technical infrastructure, social infrastructure and important environmental protection and environmental pollution control works of economic zones shall be funded by investment and development allocations from the local budget and target-based allocations from the central budget. Conditions, principles and types of works granted financial support by the central budget shall be subject to regulations laid down in the target program giving financial support for development of infrastructure of economic zones which is approved by a competent authority.

2. Large-scale infrastructure investment projects which play a key role in the development of economic zones may mobilize capital by issuing bonds as per laws.

3. Technical infrastructure, social infrastructure, public service or utility facilities serving the needs of economic zones may use official development assistance (ODA) capital, preferential loans and other technical support as prescribed by law.

4. Capital mobilization may be through attracting investments under BOT, BT, BTO contracts and in other forms in accordance with law on investments made in the form of public-private partnership.

5. Investment projects on construction and operation of infrastructure of functional zones in an economic zone may mobilize capital through authorizing investors having financial capability and experience to rent a part or the whole of land available for lease for their investment and sublease as stipulated by law.

6. Investment projects on development of technical and social infrastructures serving the common needs of economic zones may mobilize capital by using the land reserve according to the provisions of the land legislation.

#### **Article 27. Exit, entry, travel and residence in economic zones**

1. Foreigners and Vietnamese expatriates who work, make investments or do business in any economic zone, and their family members, may be granted multiple entry visa whose term conforms to laws; may temporarily or permanently reside in that economic zone and stay in Vietnam under the provisions of law on residence and law on exit, entry and residence of foreigners in Vietnam.

2. Exit, entry and residence in bordergate economic zones shall be subject to the following regulations:

a) Citizens of a neighboring district bordering on a bordergate economic zone may travel across the border gate to enter into that bordergate economic zone by presenting their border laissez-passers issued by a competent body of the neighboring country or other valid papers as per laws and in accordance with international treaties between Vietnam and its neighboring countries; subject to the requirements that the maximum duration of temporary residence of citizens of a neighboring country already holding border laissez-passers upon entry into border-gate economic zones is 15 days, and the border laissez passers must remain valid for at least 45 days before the time of entry. If they wish to go to other districts within the same province where the border gate economic zone is located, the provincial police department shall issue a single-use permit which is valid for no more than 15 days;

b) Holders of passports not exempted from visa application requirements (who are citizens of bordering countries or third-party countries) may be granted exemption from requirements concerning application for visa upon entry or during residence in bordergate economic zones and can stay within the maximum duration of 15 days. If they go on tours operated by international travel agencies in Vietnam to visit other places within Vietnam, the immigration department shall be vested with authority to consider granting them entry visas at border crossing points;

c) Cargo-carrying transport means of neighboring countries and third-party countries shall be allowed to enter bordergate economic zones under business contracts between foreign partners and Vietnamese enterprises, and terms and conditions of road and water transport agreements between Vietnam and its bordering, and shall be subject to inspection and supervision by carried out by competent bordergate authorities; in cases where such transport means are expected to load or unload goods at places outside bordergate economic zones, the transport means must comply with regulations currently in force.

Transport operators (including crew members aboard trains, drivers or assistant drivers) may enter or leave bordergate economic zones by presenting their passports, crew identification numbers, border identity cards or border laissez-passers issued by competent authorities of foreign countries in accordance with international treaties between Vietnam and its neighboring countries;

d) Goods owners and owners of means of transport, together with Vietnamese drivers, who have business relationship with partners of their neighboring countries shall be allowed to carry these goods and means to neighboring countries for goods loading and unloading by presenting border laissez-passers or other legitimate papers issued by competent Vietnamese authorities;

dd) Vietnamese citizens working and living in communes, wards or townlets where bordergate economic zones are located may travel to neighboring countries by presenting border laissez-passers or other valid papers in accordance with international treaties between Vietnam and its neighboring countries if these countries agree.

## **Article 28. Financial and credit facility regulations applied to economic zones**

1. The purchase, sale, payment, transfer and other transaction relations between organizations and individuals doing business within border-gate economic zones may be effected in the currency unit of Vietnam (dong), China (yuan), Laos (kip), Cambodia (riel) and other freely convertible foreign currencies in accordance with the law on foreign exchange control.

2. Credit institutions may establish and operate their economic zones in accordance with the law on credit institutions.

3. Domestic and foreign tourists visiting non-tariff zones within bordergate economic zones shall enjoy tax incentives when buying imported goods brought back to their home countries in accordance with the tax legislation applicable to non-tariff zones located within bordergate economic zones.

4. Organizations and individuals succeeding in mobilizing non-refundable official development assistance capital and attracting investment projects implemented within economic zones shall be commended and rewarded according to the Regulation promulgated by provincial-level People's Committees upon receipt of the approval from the Ministry of Finance.

## **Article 29. Temporary residence within industrial parks, export processing zones and export processing enterprises**

1. Inhabitants shall be prohibited from residing at industrial parks and export processing zones.
2. Only investors, persons working in export processing zones, export processing enterprises and those who do business with agencies, organizations or enterprises located within export processing zones or export processing enterprises may enter or exit these export processing zones or export processing enterprises.
3. This Decree provides that only foreigners who work as managers, chief executive officers and experts are granted the permit for temporary stay within industrial parks and export processing zones, if necessary, under regulations adopted by the provincial People's Committee. The following requirements for a foreigner's temporary residence must be satisfied:
  - a) Temporary residence serves the business and production needs of enterprises;
  - b) He/she is not allowed to stay with his/her family and relatives;
  - c) He/she is obliged to abide by temporary residence registration and declaration procedures stipulated in applicable regulations on entry, exit and residence of aliens in Vietnam;
  - d) Dwellings of foreign managers, chief executive officers and experts shall need to be separate from production and office areas; shall be bound to meet construction standards applied to housing. Enterprises shall be responsible for registering temporary residence for foreigners; shall be committed to maintaining social security, order and avoiding any adverse impact on operations of industrial parks and export processing zones.

**Article 30. Particular regulations applied to export processing zones and export processing enterprises**

1. Export processing zones and export processing enterprises shall be subject to regulations applicable to separate customs areas and non-tariff zones, except for particular regulations applicable to non-tariff zones within bordergate economic zones. If export processing enterprises may be exempted from applying for the Certificate of investment registration, such exemption shall be specified in their investment registration certificates or written document issued by the competent investment registry. The investment registry shall be held responsible for gathering opinions from the competent customs authorities on the capability to satisfy conditions of the customs inspection and supervision before issuing the investment registration certificate or confirmation in writing to investors.
2. In industrial parks, there may be industrial sub-zones for export processing enterprises. Export processing zones, export-processing enterprises or industrial parks reserved for export-processing enterprises shall be separated from the outside by fence systems, have ports, entrance and exit doors, and fulfill requirements concerning supervision and control by customs authorities and related functional agencies according to regulations applicable to non-tariff areas and regulations laid down in the legislation on import and export duty.



3. Export processing enterprises may purchase building materials, stationery, food, foodstuffs and consumer goods from inland areas of Vietnam for carrying out construction works or meeting the needs of operation of the office system and basic needs of officers and staff members working in these enterprises.

Export processing enterprises and persons selling goods to export processing enterprises shall have the option of carrying out procedures for export or import of building materials, stationery, food, foodstuffs and consumer goods from inland areas of Vietnam.

4. Customs procedures, inspection and supervision of exported and imported goods of export processing zones and export processing enterprises shall be subject to the customs legislation.

5. Exchange of goods between export processing zones or export processing enterprises and other areas within the territory of Vietnam, except for non-tariff zones, shall be defined as an export or import relationship, unless otherwise stipulated in clause 3 of this Article and except in the cases where customs procedures are not required under regulations adopted by the Ministry of Finance.

Export processing enterprises may sell into the domestic market their liquidated assets and goods under the provisions of law on investment and trade. At the time of selling or disposing of goods in the domestic market, export or import management policies shall not apply, except to the extent that the goods are subject to management in conformity with conditions or standards, and specialized inspection have not yet been implemented when import; The goods must be approved in writing by the import permit-issuing agency

6. Officers, workers and staff members working in export processing zones and export processing enterprises, when carrying foreign currencies from inland areas of Vietnam to export processing zones or export processing enterprises, and vice versa, shall not have to make customs declaration.

7. Export processing enterprises, when being permitted to purchase, sell goods and carry out other activities directly related to the purchase and sale of goods in Vietnam, must open separate accounting books for revenue and expenses related to these activities in Vietnam, arranging zones for storage of goods for such purchase or sale separated from those for production activities of export-processing enterprises, or setting up separate branches outside export processing enterprises or export processing zones to carry out these activities.

8. Branches of an export processing enterprise may have the operational system so applied to export processing enterprises as specified in this Article if they meet the conditions specified referred to in Clause 2 of this Article, may be set up within export processing zones, industrial parks or economic zones, and shall have to keep a record of accounting entries at the discretion of export processing enterprise.

**Article 31. Rights and obligations of enterprises operating within industrial parks, economic zones and investors putting their stakes in development of infrastructure in industrial parks and economic zones**

1. Enterprises operating in industrial parks, economic zones and investors putting their stakes in development of infrastructure of industrial parks or economic zones shall be accorded full powers and obligations that an investor would have under the provisions of the law on investment and enterprises as well as other relevant laws.

2. Investors involved in development of infrastructure of industrial parks and functional areas of economic zones shall determine the price at which land with already existing technical infrastructure is leased or subleased, and costs incurred from use of other related infrastructure in accordance with laws, and shall be obliged to register the price and fee bracket with the industrial park or economic zone Management Board.

Registration of that price and fee bracket is carried out periodically every 6 months or unless otherwise adjusted in comparison with the registered one.

3. In cases where an investment project for development of industrial park infrastructure involves multiple investors, investors shall take joint responsibility for ensuring uniformity of technical infrastructure of that industrial park as prescribed herein.

4. Investors developing industrial park infrastructure and investors being lessee or sublessee of land with established infrastructure in that industrial park may build and lease out premises, including multistory ones within that industrial park, in accordance with the law on construction and guidance provided by the Ministry of Construction and other relevant laws.

5. Investors developing infrastructure of industrial parks and functional sites within economic zones shall assume responsibility to build and operate concentrated wastewater treatment stations and other environmental protection works (if any) in accordance with legislation on environmental protection.

6. Investors developing infrastructure of industrial parks and functional sites within economic zones who are given financial support from the state budget for investment in development of infrastructure of industrial parks and functional sites of economic zones shall be responsible for repairing, maintaining and operating such infrastructure intended for production and business activities of enterprises which are lessees or sublessees of land within industrial parks or functional zones within economic zones.

In case of transfer of investment projects or equitization of state enterprises, the handling of assets formed by using the state budget's financial support for industrial parks or functional sites in economic zones shall be subject to law on state capital management and equitization.

7. Comply with regulations on public security, order, maintenance of labor safety and sanitation, corporate culture, environmental protection, fire and explosion prevention. Cooperate with police forces and competent authorities in formulating plans for fire safety, control, maintenance of public security, order and social safety within local jurisdictions where investors are operating.

8. Prepare statistical reports for submission to competent authorities under the provisions of law.

## **Article 32. Development of housing, social, cultural and sports works for employees working in industrial parks and economic zones**

1. The State encourages organizations and individuals to invest in construction of dwelling houses for rent to employees working in industrial parks or economic zones, and stimulates employers and enterprises developing infrastructure of industrial parks and economic zones to invest in construction of dwelling houses, social, cultural and sports facilities for employees in industrial parks and economic zones.
2. Dwelling houses, social, cultural and sports facilities developed under Clause 1 of this Article must satisfy dimensional, quality, aesthetic, safety and environmental standards as per laws.
3. People's Committees at all levels shall be responsible for enabling employees to have easy access to healthcare, educational, social, cultural and sports services within their local jurisdictions.
4. Planning for development of housing, social, cultural and sports facilities for employees in industrial parks shall be closely connected with the planning of industrial parks located within these local jurisdictions. Provincial People's Committees shall set up the land use planning and reserve unoccupied land situated in appropriate positions in order for agencies, organizations and enterprises to build dwelling houses, social, cultural or sport facilities for employees in industrial parks. In the course of implementing procedures for execution of investment projects on development of industrial park infrastructure, investors in development of industrial park infrastructure must report to the investment registration agency on plans for development of housing, social, cultural and sports facilities for employees in industrial parks.
5. As for industrial parks having difficulties in housing, social, cultural and sports facilities for employees, based on specific conditions, in the light of the requests of investors in developing infrastructure of industrial parks and provincial People's Committees, the Ministry of Planning and Investment shall assume the prime responsibility for, and cooperate with the Ministry of Construction in, applying for the Prime Minister's decision to adjust acreage of industrial parks existing in the industrial park development planning to save a part of the industrial park land which has been cleared for investment in construction of social houses, social, cultural and sport facilities for employees. Upon receipt of the approval from the Prime Minister, the provincial People's Committee shall approve adjustment to the planning for construction of industrial parks in accordance with the provisions of the construction law.

In cases where the area planned for development of dwelling houses, social, cultural or sport facilities is adjacent to an industrial park, the provincial People's Committee shall approve the planning for construction of industrial parks associated with the planning for construction of housing blocks, cultural and sports facilities for workers in industrial zones.

The Ministry of Finance and concerned ministries and sectoral administrations shall take responsibility to provide regulations and guidance on application of investment preferences and incentives with respect to investment projects on development of dwelling houses, social, cultural and sport facilities within industrial parks and economic zones.

## **Chapter IV**

### **CERTAIN TYPES OF INDUSTRIAL PARKS**

#### **Section 1. GENERAL PROVISIONS**

##### **Article 33. Development of auxiliary industrial parks and eco-industrial parks**

1. The State encourages and develops measures to assist organizations and individuals in investing in establishment of new industrial parks, transformation of all or a part of industrial parks existing in the planning approved by competent authorities into those operated in the model of auxiliary industrial parks or eco-industrial parks according to the provisions of this Decree.

2. Investors in development of Infrastructure and investors that are lessees or sublessees of land with developed infrastructure in auxiliary industrial parks or eco-industrial parks shall enjoy preferences applicable to investment in industrial parks, or those specific to local jurisdictions, industries or sectors as per law, and shall be entitled to support in terms of administrative procedures, technical consultancy, investment promotion and cooperative information supply under the provisions of this Decree.

#### **Section 2. AUXILIARY INDUSTRIAL PARKS**

##### **Article 34. Objectives of development of auxiliary industrial parks**

1. Develop auxiliary industrial parks to actualize and effect strategies and plans for development of key industries and auxiliary industries over periods.

2. Form production links between industrial parks and enterprises in industrial parks; reform the mechanism for attracting foreign investments; carry out transfer of technologies, advanced and modern know-how through investment and business cooperation between domestic and foreign enterprises in the auxiliary industry sector.

##### **Article 35. Incentive policies for development of auxiliary industrial parks**

1. Investment projects on development of infrastructure of auxiliary industrial parks, including auxiliary industrial subzones, shall be entitled to:

a) land rent exemption or reduction in accordance with legislation on land; permission for leasing of land within the maximum period of 70 years;

b) priority to have access to investment loans given by the state, on-lent ODA funds and the Government's guarantees for mobilization of foreign capital, and to implement other legitimate methods of mobilizing capital under the provisions of law on enterprises, credit and other relevant laws;

c) be in the list of projects of national importance to seek investment partners.

2. Investment projects on manufacturing of products in auxiliary industrial parks shall be entitled to:

a) tax incentives with respect to corporate income tax, export and import duty, and other support, as prescribed in laws on taxes, development of auxiliary industries and other relevant legislation;

b) In cases where the production of products on the list of auxiliary industrial products of which development is given priority as prescribed in legislation on development of auxiliary industries, they shall be assisted by competent authorities in implementing procedures for acceptance of incentives within the maximum duration of 30 days;

c) priority to participate in training programs, startup assistance, small and medium-sized enterprise support and other programs implemented by state regulatory authorities.

3. Investment projects on development of infrastructure of auxiliary industrial parks and subzones thereof that are given incentives in accordance with Clause 1 of this Article shall fully satisfy the following conditions:

a) Investors developing industrial park infrastructure must specify auxiliary industrial sectors and industries given priority in attracting investment in industrial parks in accordance with the Government's regulations on auxiliary sectors and industries;

b) The minimum percentage of industrial land area leased out or subleased to investment projects on auxiliary sectors or industries must be 60% of rentable industrial land area in industrial parks;

c) Those referred to in Point a, b of this Clause and types of auxiliary industrial parks need to be defined in documentation of the investment project on development of infrastructure of industrial parks. Competent authorities shall define the type of auxiliary industrial park in the investment policy decision, the investment registration certificate or the investment registration body's written document in the event that issuance of the investment registration certificate is mandatory in accordance with laws on investment.

### **Section 3. INDUSTRIAL – URBAN – SERVICE ZONES**

#### **Article 36. Objectives of development of industrial – urban – service zones**

1. Establish areas with synchronous technical and social infrastructure, raise the operational efficiency of industrial parks, and associate development of industrial parks with the process of urbanization taking place within local jurisdictions.

2. Solve issues arising from lack of housing, cultural and sports facilities and other social facilities to maintain the living standards of employees in industrial parks, and develop industrial parks in a sustainable manner.

3. Contribute to distributing residents appropriately at major areas where a lot of industrial parks are located, and develop new urban areas with synchronous technical and social infrastructure.

4. Build industrial, urban and service zones having the modern living and working environment, full of public utilities and services for inhabitants and employees; aim at developing into smart industrial cities and urban areas in conformity with international standards.

### **Article 37. Processes and procedures for formulating the planning for development of industrial – urban – service zones**

1. Processes and procedures for adjustment to and addition of an industrial – urban – service zone to the planning for development of industrial parks, and establishment of industrial – urban – service zones shall be the same as procedures and processes for revision and supplementation of the planning for development of industrial parks and establishment of industrial parks defined in this Decree.

2. Notwithstanding provisions laid down in Article 6 of this Decree, documentation submitted to apply for adjustment to and addition of industrial – urban – service zones to the industrial park development planning shall be supplemented with the followings:

a) Scale, acreage and structure of land expected to be used in specific functional areas of an industrial – urban – service zone; assessment of correspondence between the demand for providing social utilities or services of an industrial park and the scale of urban – service zones;

b) Relevance of specific functional areas to relevant planning schemes.

### **Article 38. Processes and procedures for making investment in industrial – urban – service zones**

1. An industrial – urban – service zone may receive investments made by a single or various investors in development of infrastructure of the entire industrial park and its functional areas.

2. In case of making investment in development of infrastructure in an industrial – urban – service zone in an overall project, the investor shall make such investment according to the processes and procedures so applied to investment projects on development of infrastructure of an industrial park under the provisions of law on investment.

In cases where investment is made in specific separate projects with respect to specific functional areas, the investor in a functional area shall implement the respective investment processes and procedures so applicable to specific projects stipulated by the investment law and other relevant specialized legislation.

3. Investment in development of functional urban – service areas may be made at the time of or after completion of investment in construction of basic infrastructure of an industrial park.

Investors in functional areas shall bear responsibility to collaborate in ensuring synchronized connection between technical infrastructure facilities; assuring that functional urban – service areas must facilitate supply of social utilities to employees in industrial zones.

4. After completing the investment procedures as stated in the investment law and this Decree, conduct of construction and management of functional sub-zones in industrial – urban – service zones shall subject to the respective laws on functional areas.

#### **Article 39. Incentives for investment in industrial – urban – service zones**

1. Investors in investment projects on development of infrastructure of industrial – urban – service zones should keep independent accounts of production and business activities of functional areas.

Functional areas shall be given tax incentives with respect to corporate income tax, export and import duty, land rent exemption and relief, and other investment incentives as prescribed in respective regulations on functional areas taxes laid down in law on taxes, land and other relevant legislation.

2. Investors doing business in an industrial – urban – service zone shall be entitled to investment incentives offered to an industrial park under the provisions of this Decree. Investors doing business in other functional areas within an industrial – urban – service zone shall be entitled to investment incentives prescribed in respective law regulations applied to such functional areas.

### **Section 4. ECO-INDUSTRIAL PARKS**

#### **Article 40. Objectives of development of eco-industrial parks**

1. Promote the economic effectiveness of enterprises operating in industrial parks through application of cleaner production methods, effective exploitation of resources and building of industrial symbiosis.

2. Improve effectiveness in protection of the internal and ambient environment of industrial parks by minimizing polluting sources and wastes, and encourage use of clean technologies, cleaner and eco-friendly production methods.

3. Build a business community in an industrial park which has capacity to compete with others in the market, protect and develop the living environment for communities within the precinct of the industrial park, and fulfill sustainable development objectives.

#### **Article 41. Encouragement policies on development of eco-industrial parks**

1. Encourage investors to develop infrastructure of industrial parks, improve technical and social infrastructure, provide high-quality public utilities, connect with enterprises located within industrial parks and assist them in creating industrial symbiosis to transform it into an eco-industrial park.

2. Encourage enterprises in an industrial park to improve management and operation procedures, renovate and apply technologies towards cleaner production, reduce polluting sources, reuse wastes and scrap, and effectively exploit resources.
3. Enterprises in industrial zones may be encouraged to cooperate with one another or with a third party to use or acquire shared infrastructure or services, raw materials and other inputs; may be entitled to reuse wastes, scrap and surplus energy of their own and other enterprises to reduce costs, improve operational efficiency and their competitiveness.
4. Construction of new eco-industrial parks shall be carried out through appropriate planning and arrangement of functional sub-zones to attract enterprises operating in similar sectors or industries, or assist in enabling enterprises to effect the industrial symbiosis.
5. The industrial park and economic zone Management Board shall authorize a public service unit controlled by the Board or another appropriate unit to perform functions in assisting in provision of information available in a database, and building connection between enterprises to effect the industrial symbiosis.
6. Agencies, organizations and investors may be encouraged to develop a database for efficient use of resources available in industrial parks with the aim of giving assistance for and connection between enterprises effecting the industrial symbiosis.

#### **Article 42. Criteria for determination of eco-industrial parks**

1. Investors developing infrastructure and enterprises within industrial parks shall strictly comply with legislative regulations on business, environmental protection and labor; may be encouraged to apply the production and environmental management system conforming to relevant standards of International Organization for Standardization (ISO).
2. Investors developing infrastructure of industrial parks shall provide basic services in these industrial zones under the provisions of law, including: basic utilities (e.g., electricity, water, information, fire prevention and control, etc.) and other related services.
3. At least 90% of enterprises in an industrial park are aware of effective use of resources and cleaner production while at least 20% of them apply measures for effective use of resources and cleaner production, reform and improve management approaches and manufacturing technologies to reduce wastes, pollutants and reuse wastes and scrap.
4. A minimum of 25% of the industrial park land shall be reserved for greenery, traffic works and public utilities in conformity with construction standards issued by the Ministry of Construction.
5. At least one industrial symbiosis shall be effected and at least 10% of total number of enterprises in industrial parks shall plan to participate in industrial symbioses.



6. There must be measures to provide dwellings, social, cultural and sports facilities for employees working in industrial parks.
7. Investors developing infrastructure and enterprises within industrial parks shall set up the mechanism for collaborating in supervision of input and output energy, water, essential raw materials, and management of hazardous chemicals; periodically prepare annual reports on results obtained by effective use of resources, supervise emissions of industrial parks, report them to the local Management Board of industrial parks and economic zones.
8. Every year, investors developing infrastructure of industrial parks shall release review reports on environmental protection, social responsibility and contributions to communities residing within the precinct of industrial parks to the local Management Board of industrial parks and economic zones and post them on enterprises' websites.

#### **Article 43. Incentives granted to enterprises operating within eco-industrial parks**

1. Industrial parks conforming to the criteria specified in Article 42 of this Decree may be certified as an eco-industrial park by the People's Committee of the province where they are located after consulting the Ministry of Planning and Investment and the Ministry of Natural Resources and Environment, the Ministry of Industry and Trade and the Ministry of Construction.
2. Enterprises operating within eco-industrial parks that participate in cleaner production activities, efficient use of resources and industrial symbioses shall be certified as eco-enterprises operating within industrial parks by the Management Board of industrial parks and economic zones.
3. Enterprises developing infrastructure of eco-industrial parks and eco-enterprises shall be given priority in borrowing preferential loans from the Vietnam Environment Protection Fund, the Vietnam Development Bank and funds, financial institutions, domestic and international donors to construct technical infrastructure of industrial parks, implement cleaner production methods, efficiently use resources and industrial symbiosis solutions.
4. Enterprises developing infrastructure of eco-industrial parks and eco-enterprises shall be given priority to participate in technical assistance and investment promotion programs organized and managed by state regulatory authorities.
5. Enterprises operating within eco-industrial parks shall be given priority in providing information related to the technology market and the possibility of cooperating in effecting industrial symbioses in the scope of production and business activities of these enterprises.

#### **Article 44. Processes and procedures for applying for registration for certification of eco-industrial parks**

1. Investors developing infrastructure of industrial parks are required to make 04 sets of application package for registration for certification of eco-industrial parks which clearly

explains conformance to the criteria specified in Article 42 hereof and send them to the local Management Board of industrial parks and economic zones. The local Management Board of industrial parks and economic zones authorizes a standing unit in charge of receiving application documentation for certification of eco-industrial parks.

2. Within duration of 03 working days of receipt of application documentation, the Management Board of industrial parks and economic zones send them to the Ministry of Planning and Investment, the Ministry of Natural Resources and Environment, the Ministry of Industry and Trade and the Ministry of Construction to collect their opinions.

3. Within duration of 07 working days of receipt of the requests from the Management Board of industrial parks and economic zones, and authorities specified in Clause 2 of this Article, gives comments on conformance to the criteria for development of eco-industrial parks referred to in Article 42 hereof.

4. Within duration of 15 working days of receipt of consultations from authorities specified in Clause 2 of this Article, the Management Board of industrial parks and economic zones prepares a evaluation report on conformance to the criteria referred to in Article 42 hereof.

5. In case where evaluation results are satisfactory, the Management Board of industrial parks and economic zones reports to the provincial People's Committee to grant the Certificate of eco-industrial park to requesting industrial parks. The Certificate is informed to requesting investors immediately after signing.

6. If evaluation results are unsatisfactory, within 03 working days after receiving such evaluation results, the industrial park or economic zone Management Board shall be responsible for notifying them in writing to the requesting enterprise and clearly stating the reasons why evaluation results are unsatisfactory.

7. In case of agreeing to grant eco-enterprise certification as specified in Clause 2, Article 43 of this Decree, within 15 working days of receipt of the application for registration for certification of eco-enterprise, the industrial park or economic zone Management Board consult with concerned agencies to make a decision on grant of the eco-enterprise certificate.

## **Chapter V**

### **STATE MANAGEMENT OF INDUSTRIAL PARKS AND ECONOMIC ZONES**

#### **Article 45. Duties performed in the state management of industrial parks and economic zones**

1. Establish and direct implementation of the planning, proposal and policy for development of industrial parks and economic zones.

2. Promulgate, guide, disseminate and organize the implementation of policies, laws and technical standards related to establishment, investment, construction, development and

management of industrial parks and economic zones; build and manage information systems of industrial parks and economic zones; organize investment promotion activities in industrial parks and economic zones.

3. Issue, adjust and revoke the written document stating the decision on investment policy, the investment registration certificate, the enterprise registration certificate, licenses, permits and certificates; organize the implementation of state administrative procedures and auxiliary services related to investment, production and business activities of organizations and individuals in industrial parks and economic zones.

4. Organize the apparatus, professional training and refresher's courses for State management agencies in charge of industrial parks and economic zones.

5. Guide, assist and evaluate investment efficiency, examination, supervision, inspection, resolution of complaints and denunciations, reward and commendation, handling of violations and settling of issues arising in the course of establishment and development of industrial zones and economic zones.

#### **Article 46. State management authority and responsibilities for industrial parks and economic zones**

1. The Government shall exercise the uniform State management over industrial parks and economic zones nationwide on the basis of assigning specific tasks and powers to each ministry or sectoral administration, the provincial People's Committee, and the industrial park or economic zone Management Board, as prescribed herein; direct formulation and implementation of the planning and proposal for development of these industrial parks and economic zones, and promulgate policies and legal documents on industrial parks and economic zones.

2. The Prime Minister shall have the following powers and responsibilities:

a) Direct ministries, sectoral administrations, provincial People's Committees and industrial park and economic zone Management Boards to implement laws and policies on industrial parks and economic zones;

b) Approve and adjust the planning for development of Industrial parks and economic zones;

c) Grant a decision on the investment policy with respect to investment projects under his jurisdiction; grant a decision on establishment and expansion of economic zones; approve and adjust the general planning for construction of economic zones; grant permission for expansion of and decrease in acreage, and transformation of approved land uses of industrial parks and functional areas of economic zones;

d) Direct the handling and settlement of difficulties and problems arising in the process of planning, investing in, establishing, operating and managing activities of industrial parks and economic zones, which fall beyond the jurisdiction of ministries and sectoral administrations,

provincial People's Committees and Management Boards of industrial parks and economic zones.

3. Ministries, sectoral administrations and provincial People's Committees shall, within the ambit of their respective functions, tasks and powers, have to perform their State management, specific to sectors, domains and administrative territories, over industrial parks and economic zones; guide, delegate authority to or mandate the Management Board of industrial parks or economic zones to perform a number of State management tasks within their respective competence under the provisions of this Decree and relevant laws.

#### **Article 47. State management authority and responsibilities of the Ministry of Planning and Investment**

1. Assume the prime responsibility for assisting the Government in performing the uniform State management over industrial parks and economic zones.

2. Assume the prime responsibility for, and collaborate with the Ministry of Construction, the Ministry of Natural Resources and Environment, the Ministry of Defense, the Ministry of Industry and Trade, and concerned ministries, sectoral administrations and provincial People's Committees in, formulating and adjusting the planning for development of industrial parks and economic zones, and submit it to the Prime Minister to seek his approval.

3. Assume the prime responsibility for and collaborate with the concerned ministries and sectoral administrations in drafting legal documents and policies on development of industrial parks and economic zones and submit them to competent state agencies for promulgation.

4. Assume the prime responsibility for and cooperate with the concerned ministries and sectoral administrations in providing guidance on construction of eco-industrial parks.

5. Assume the prime responsibility for and cooperate with the concerned ministries and sectoral administrations in providing guidance on, professional training and refresher's courses for the Management Board of industrial parks and economic zones.

6. Assume the prime responsibility for, and collaborate with the Ministry of Finance and concerned ministries and sectoral administrations in, drawing up plans for financial support from the central budget for investment projects on development of industrial park infrastructure at localities which face socio-economic difficulties and extreme difficulties under the Prime Minister's decision, and plans of financial support from the central budget for investment in development of technical and social infrastructure systems in economic zones according to the provisions of this Decree; formulate a mechanism for mobilizing other capital sources for investment in development of infrastructure of industrial parks and economic zones.

7. Assume the prime responsibility for, and cooperate with ministries, sectoral administrations, provincial People's Committees and Management Boards of industrial parks and economic zones concerned in, formulating and organizing the implementation of national programs and plans for promotion of investment in industrial parks and economic zones.

8. Build and manage information systems of industrial zones and economic zones; issue periodical report forms or templates, and provide information on industrial parks and economic zones for relevant Governmental agencies.

9. Review results and socio-economic efficiency of industrial parks and economic zones.

10. Assume the prime responsibility for, and cooperate with the Ministry of Home Affairs in, providing guidance on effecting of functions, tasks and organizational structure of the Management Board of industrial parks and economic zones.

11. Assume the prime responsibility for promulgating the guidance on the regime of reporting and statistics on industrial parks and economic zones.

#### **Article 48. State management authority and responsibilities of the Ministry of Home Affairs**

1. Provide guidance on establishment, classification, ranking and reorganization of the Management Board of industrial parks and economic zones.

2. Assess the proposal for establishment or reorganization of the Management Board of the industrial park or economic zone and submit it to the Prime Minister for consideration and decision.

#### **Article 49. State management authority and responsibilities of the Ministry of Finance**

1. Impose regulations on financial mechanisms and policies applicable to the Management Board of industrial parks and economic zones, and public non-business units that act as owners of investment projects on development of infrastructure of industrial parks, and economic organizations related to industrial parks or economic zones in uniformity with the provisions of law.

2. Provide guidance on implementation of provisions laid down in Clause 4 Article 24 hereof.

#### **Article 50. State management authority and responsibilities of the Ministry of Construction**

1. Promulgate regulations guiding the Management Board of industrial parks and economic zones to perform the State management over construction of technical infrastructure, and construction works in industrial parks and economic zones; build and develop housing, cultural and sport works for employees in industrial parks and economic zones; perform tasks of urban management and development at economic zones.

2. Promulgate regulations on construction of multistory premises within industrial parks and economic zones in accordance with provisions laid down in Clause 4 Article 31 hereof.

3. Promulgate regulations on, and guide the decentralization and authorization of, the Management Board in performing the tasks of State management over construction as specified

in Point b, Clause 3, Article 63 of this Decree and a number of tasks of State management over construction at industrial parks and economic zones in accordance with the law on construction.

4. Provide instructions for construction standards of eco-industrial parks.

#### **Article 51. State management authority and responsibilities of the Ministry of Industry and Trade**

1. Perform the State management over industry, import and export activities and commercial activities in industrial parks and economic zones; direct and orient the development of industries in industrial parks and economic zones according to approved strategies, planning and plan for regional and national industrial development.

2. Authorize the Management Board of industrial parks and economic zones to grant the certificate of origin of goods produced in industrial parks or economic zones when they fully satisfy conditions for authorization.

3. Provide guidance on grant of permits and papers of equivalent value to trading of goods under the specialized management of the Ministry of Industry and Trade.

4. Provide instructions for purchase and sale of goods, and activities directly related to the purchase and sale of goods to foreign-invested economic organizations and foreign investors located in industrial parks and economic zones.

#### **Article 52. State management authority and responsibilities of the Ministry of Natural Resources and Environment**

1. Issue guides to management and protection of environment within industrial parks and economic zones.

2. Provide guidance on authorizing the Management Board of industrial parks and economic zones to perform the task of State management over environment defined at Point e, Clause 3, Article 63 of this Decree and a number of State management tasks regarding natural resources and environment in industrial parks and economic zones according to the provisions of law on environmental protection.

3. Guide reuse of wastes, scrap and abundant energy in eco-industrial parks under the regulatory authority of the Ministry of Natural Resources and Environment.

#### **Article 53. State management authority and responsibilities of the Ministry of Science and Technology**

1. Assume the prime responsibility for, cooperate with and guide local authorities in, conducting technological inspection and evaluation, technological level assessment and evaluation of technological transfer contracts in industrial parks and economic zones.

2. Guide the Management Board of industrial parks and economic zones to perform the State management over science and technology in industrial parks and economic zones.
3. Guide reuse of wastes, scrap and abundant energy in eco-industrial parks under the regulatory authority of the Ministry of Science and Technology.

**Article 54. State management authority and responsibilities of the Ministry of Labor, War Invalids and Social Affairs**

Provide guidance on authorizing the Management Board of industrial parks and economic zones to perform the task of State management over labor defined at Point c, Clause 3, Article 63 of this Decree and other relevant legislative documents.

**Article 55. State management authority and responsibilities of the Ministry of Public Security**

1. Exercise the state management over public security, order, fire prevention and control at industrial parks and economic zones.
2. Issue regulations on guidance on and implementation of state management over entry, exit and residence with respect to economic zones.
3. Assume the prime responsibility for, and collaborate with the Ministry of Defense in, guiding the implementation of regulations on exit, entry, transit and residence of foreigners in economic zones.

**Article 56. Authority and responsibilities of the Ministry of National Defence**

1. Exercise the State management over national defense and cooperate with the Ministry of Public Security in protecting national security and maintaining social order and safety at economic zones and border-crossing seaports of economic zones as per law.
2. Direct and guide the Border Guard to organize, allocate and use forces and means to perform the task of controlling exit, entry, inspecting, controlling and supervising people and means upon entry or exit, and activities carried out at bordergate economic zones and cross-border seaports within economic zones under the provisions of law. Assume the prime responsibility for, and cooperate with the people's Police force, concerned agencies and local authorities in, in assuring social security and order in economic zones and cross-border seaports controlled by economic zones under provisions of law.
3. Collaborate with the Ministry of Public Security in guiding the implementation of regulations on exit, entry, transit and residence of foreigners in economic zones.

**Article 57. State management authority and responsibilities of the Ministry of Culture, Sports and Tourism**

1. Guide the Management Board of industrial parks and economic zones to perform the task of state management of tourism activities at economic zones.
2. Guide the Management Board of industrial parks and economic zones to grant, re-grant, amend, supplement and extend the license for establishment of representative offices or branches in economic zones with regard to foreign tourist agencies.

#### **Article 58. State management authority and responsibilities of the Government Inspectorate**

Cooperate with the concerned ministries and sectoral administrations in guiding inspection and settlement of complaints and denunciations, and preventing and combating corruption arising in industrial parks and economic zones under the provisions of law.

#### **Article 59. State management authority and responsibilities of sectoral ministries**

Ministries and ministerial agencies outside the scope of tasks and powers mentioned in Article 48, Article 49, Article 50, 51, 52, 53, 54, 55, 56, 57 and 58 hereof shall have additional powers and responsibilities of State management over sectors and industries for industrial parks and economic zones as follows:

1. Make written comments on investment projects falling under the Prime Minister's authority to grant the decision on investment policy and those belonging to the approved list of projects subject to regulatory conditions, and other projects implemented in industrial parks or economic zones in accordance with the law on investment.
2. Promulgate conditions, order and procedures for managing and organizing provision of administrative public services by the Management Board of industrial parks and economic zones.
3. Guide, check, supervise, inspect and impose penalties for administrative violations within their jurisdiction.
4. Guide reuse of wastes, scrap and abundant energy in eco-industrial parks under their respective regulatory authority.

#### **Article 60. State management authority and responsibilities of the provincial People's Committees**

1. Assume the prime responsibility for drawing up the planning for development of industrial parks and economic zones in localities under their jurisdiction; granting a decision on establishment and expansion of industrial zones.
2. Formulate the general construction planning with respect to industrial parks defined in Clause 5, Article 12 hereof, and economic zones.



3. Direct formulation and approval of the planning for construction of industrial parks and functional areas within economic zones; decide on the use of the state budget capital to assist investors in investing in technical infrastructure systems inside and outside the fences of industrial parks or economic zones.
4. Direct the implementation of investment procedures for investment projects on the development of infrastructure of industrial parks and functional areas in economic zones when the Management Board of industrial parks and economic zones has not been established under law on investment.
5. Promulgate specific preferential and incentive policies in accordance with the provisions of law with respect to the priority of recruiting and employing local laborers, highly qualified and skilled laborers; provide vocational training for laborers working in industrial parks and economic zones.
6. Draw up the planning of land intended for construction of resettlement areas, housing, social, cultural and sports facilities for workers in industrial parks and economic zones; provide investment support for the construction of dwelling houses for workers, resettlement quarters, socio-technical infrastructure works in accordance with the provisions of law; support investment promotion, trade and tourism; support the compensation and ground clearance in order to speed up the process of investment and development of industrial parks and economic zones.
7. Direct the appropriation of land and water surface, giving of compensation, site clearance and resettlement, and implement procedures for leasing or assigning land in industrial parks or economic zones under law on land and relevant laws.
8. Direct relevant organizations to prepare investment plans and organize the construction of technical and social infrastructure systems outside the fences of industrial parks or economic zones, such as roads and power supply, water supply and water supply and drainage, communications systems and technical points connected with infrastructure works in the fences of industrial parks, economic zones, vocational training centers, dwelling houses and social works, cultural, sports, medical facilities, educational establishments and other public works to meet the needs of development of industrial parks and economic zones.
9. Assume the prime responsibility for preparing plans and balancing capital for investment in technical infrastructure systems within the fences of industrial parks, and socio-technical infrastructure systems of economic zones according to the provisions of law on public investment, state budget and the provisions of this Decree.
10. Guide the implementation of the "single window and one-stop shop" administrative mechanism at the Management Board of industrial parks and economic zones; issue and supervise the implementation of the Regulation on cooperation between the Management Board and the subsidiaries of the provincial People's Committees; guide, assign tasks to or authorize the Management Board to perform a number of State management tasks with respect to sectors as prescribed in this Decree.

11. Direct the implementation of the planning and regulations on construction, labor, environmental protection, fire and explosion prevention and control, public security and order in industrial parks and economic zones.
12. Set up and cooperate in setting up local vocational training institutions to meet the labor demands of industrial parks and economic zones.
13. Organize, examine, inspect and supervise settlement of issues or problems arising in the course of establishment and development of industrial parks and economic zones; as for matters beyond their competence, cooperate with ministries and sectoral administrations in settling them or submitting them to the Prime Minister for consideration and decision.
14. Formulate a proposal for establishment or reorganization of the Management Board of industrial parks and economic zones so as to ensure that each province or centrally-affiliated city has a management board of an industrial park or economic zone; grant a decision on appointment of personnel to hold the posts of Head and Deputy Heads of the Board.
15. Provide funding for administrative and non-business activities and development investment capital to the Management Board of industrial parks and economic zones according to the provisions of law on public investment and the state budget; approve plans and allocate funds and conduct promotion of investment, trade and tourism for the development of industrial parks and economic zones.
16. Direct local professional and specialized agencies in charge of trade, finance, customs, banking, police and other relevant authorities to appoint competent representatives to settle related matters at each industrial zone and economic zone, where necessary.
17. Implement other duties and powers of State management over industrial parks and economic zones as stipulated by law.

## **Chapter VI**

### **FUNCTIONS, DUTIES, POWERS AND ORGANIZATION STRUCTURE OF THE MANAGEMENT BOARD OF INDUSTRIAL PARKS AND ECONOMIC ZONES**

#### **Article 61. Functions of the Management Board of industrial parks and economic zones**

1. The Management Board of industrial parks and economic zones are an agency affiliated to the provincial People's Committee, which performs the function of direct State management over industrial parks and economic zones located in a province or centrally-affiliated city in accordance with this Decree and other relevant legislation; which manages and organizes provision of public administrative services and other auxiliary services related to investment, production and business activities on behalf of investors in industrial parks and economic zones.
2. The Management Board of industrial parks and economic zones shall be set up under the Prime Minister's decision and subject to the direction and management of the provincial People's

Committees over organization, staff, work agenda, schedule and operational costs; subject to the direction, guidance and specialized inspection by ministries and sectoral administrations with respect to related fields and sectors; shall assume responsibility for closely cooperating with specialized agencies controlled by the provincial People's Committee in managing industrial parks and economic zones.

3. The Management Board of industrial parks and economic zones shall be accredited as a legal person, have its own account and seal carrying the national emblem on; shall be operated by using funds from annual State administrative management, public service operation, investment and development capital derived from the state budget's annual planned allocations and from other financial sources under regulations adopted by competent state agencies.

### **Article 62. Decentralization of powers and grant of authority to the Management Board of industrial parks and economic zones to perform specialized functions and tasks within industrial parks and economic zones**

1. Decentralization of powers and grant of authority to the Management Board of industrial parks and economic zones must be associated with its competence, qualifications and organization, ensuring stability and creating conditions for the implementation of the "single window and one-stop shop" administrative mechanism, assisting investors in conducting investment and business activities in industrial parks and economic zones.

2. Ministries and sectoral administrations shall assume the prime responsibility for, and cooperate with the Ministry of Planning and Investment and the Ministry of Home Affairs in, promulgating conditions and criteria for decentralization and authorization in each management domain according to the principles of creating conditions for the Managing Boards to implement the single-window and one-stop-shop" administrative mechanism, and ensuring the effectiveness and efficiency of the State management over industrial parks and economic zones.

### **Article 63. Duties and powers of the Management Board of industrial parks and economic zones**

1. Contribute opinions on, prepare and submit a report to ministries, sectoral administrations and provincial People's Committees to request them to approve and implement the followings:

a) Consult with ministries, sectoral administrations and provincial People's Committees on drafting of legal documents, policies and planning schemes related to investment and development of industrial zones and economic zones;

b) Assume the prime responsibility for, and cooperate with the concerned agencies in, formulating the Regulation on cooperation with specialized agencies of the provincial People's Committees or concerned agencies in carrying out their assigned tasks and powers according to single-window and one-stop shop single-window mechanism, and submit it to the provincial People's Committees for approval and implementation;

c) Formulate programs and plans for promotion of investment in development of industrial parks and economic zones, then submit them to the provincial People's Committees for approval and implementation;

d) Annually forecast the demands for employees working in industrial parks and economic zones, and cooperate with competent agencies to supply human resource to enterprises in industrial parks and economic zones;

dd) Make an annual estimate of budget, non-business expenditure, development investment capital and other sources (if any) of the Management Board of industrial parks or economic zones for submission to competent agencies for approval in accordance with the Law on the state budget and other related legislation;

e) Within their decentralized powers, cooperate with concerned agencies in conducting technology inspection, technology evaluation, technological level evaluation and evaluation of technology transfer contracts; conducting inspection and control of technology and technology transfer in investment projects, research and development, technology application activities of enterprises.

2. The Management Board of industrial parks and economic zones shall perform the following duties:

a) Manage, disseminate, guide, inspect and supervise the implementation of regulations, planning schemes and proposals related to industrial parks and economic zones already approved by competent state agencies;

b) Apply for investment registration; issue, adjust and revoke investment policy decisions, investment registration certificates and escrow agreements to ensure execution of investment projects with respect to investment projects under its jurisdiction under laws on investment;

c) Grant, re-grant, adjust, extend and revoke representative office establishment licenses and terminate operation of representative offices of foreign organizations and traders located in industrial parks or economic zones in accordance with laws on trade;

d) Assume the prime responsibility for inspecting and cooperate with functional agencies when functional agencies conduct inspections on the implementation of regulations, planning schemes and proposals related to industrial parks or economic zones; request competent bodies to impose penalties for administrative violations arising in the domains under their management over industrial parks and economic zones;

dd) Receive applications for registration of the price bracket applied to land leases and subleases, and the bracket of fees for use of infrastructure of industrial parks and economic zones, submitted by investors developing infrastructure of industrial parks or functional areas within economic zones;

e) Inspect and supervise fulfillment of the investment objectives stated in the written document stating approval of the investment policy, the investment registration certificate, the progress of capital contribution and implementation of investment projects, and implementation of commitments with respect to projects given investment incentives and compliance with the law on construction, labor, wages and social insurance for laborers, protection of legal rights and interests of employees and employers, assurance of labor safety and hygiene, fire prevention and control, maintenance of public security and order, and environmental protection, with respect to investment projects executed in industrial parks and economic zones;

g) Cooperate with police units, other competent agencies in inspecting maintenance of public security and order, fire and explosion prevention and control, formulate and propose measures to maintain public security, order, and organize security forces and fire prevention and fighting forces in industrial parks and economic zones;

h) Settle problems and difficulties of investors in industrial parks or economic zones, and recommend the Prime Minister, concerned ministries and sectoral administrations and provincial People's Committees to deal with issues beyond their competence;

i) Receive statistical reports and financial statements of enterprises operating in industrial parks and economic zones; evaluate efficiency of investments in industrial parks and economic zones;

k) Cooperate with the Ministry of Planning and Investment in establishing and managing the system of information about industrial parks and economic zones under its jurisdiction;

l) Periodically report to the Ministry of Planning and Investment, concerned ministries and sectoral administrations as well as provincial People's Committees on the current status of: construction and development of industrial parks and economic zones; issuance, adjustment and revocation of the investment registration certificate; deployment and operation of investment projects; fulfillment of obligations to the state; implementation of the provisions of labor legislation and measures to protect the environment in industrial parks and economic zones;

m) Provide support and information for enterprises in industrial parks and economic zones to affiliate and cooperate with each other to effect industrial symbiosis, cleaner production measures, establish eco-industrial parks, auxiliary industrial parks, sectoral clusters and complexes; assume the prime responsibility for, and cooperate with concerned agencies in, adjusting the planning for construction of industrial parks in cases where it is necessary to adjust the planning for construction of industrial parks when being transformed into eco-industrial parks;

n) Organize emulation and commendation movements with the participation of enterprises in industrial parks and economic zones;

o) Organize and cooperate with state management agencies in inspection, examination and settling of complaints and denunciations, prevention and combat of corruption, extravagance and misconducts and handling of administrative violations arising within industrial parks and economic zones under its jurisdiction;

p) Perform tasks under the provisions of law and regulations of the provincial People's Committee on management of assigned finances, assets and budget allocations; collect and manage use of charges and fees; conduct scientific researches, apply scientific and technological advances; cooperate with domestic and foreign organizations and individuals in the fields related to investment in construction and development of industrial parks and economic zones; manage the organizational apparatus, staffing, cadres, civil servants and officials, and provide professional training and refresher's courses to officials, public servants and employees of the Management Board of industrial parks and economic zones;

q) Play its role as the main point of advising and helping the provincial People's Committee to formulate plans, manage and support transformation and development of new models of industrial parks and economic zones;

r) Fulfill other relevant duties regulated by law or assigned by the provincial People's Committee.

3. Ministries, sectoral administrations, provincial People's Committees and competent authorities shall authorize the Management Board of industrial parks and economic zones to perform the following duties:

a) Issue certificates of origin for goods produced in industrial parks or economic zones under their authority delegated by the Ministry of Industry and Trade;

b) Adjust the approved construction planning of industrial parks and functional areas of economic zones without changing the planning structure; approve the tasks and detailed planning blueprints for construction of projects in industrial parks or functional areas of economic zones which are subject to the requirement that detailed construction planning schemes must be prepared as per the construction law; issue construction planning permits for investment and construction projects eligible for permits in industrial parks or functional areas of economic zones; exercise their powers to evaluate projects, designs and cost estimates of the Departments in charge of specialized management of construction works with respect to projects and works located in industrial parks or economic zones; issue, adjust, extend and re-grant permits for construction works that must have construction permits according to the provisions of law on construction; perform the task of management of quality of construction works located in industrial parks and economic zones;

c) Grant, re-grant and revoke labor permits and certify that foreign laborers are not licensed to work for foreigners or Vietnamese expatriates working in industrial parks or economic zones; receive explanatory reports from enterprises in industrial parks or economic zones on the demand for employing foreigners for each job position which Vietnamese workers are not qualified to take up; apply for registration of labor regulations; receive collective labor agreements, salary systems, scales, labor norms, declare labor use, report on any labor change; receive and process applications for registration for effecting of contracts on reception of interns, sending workers abroad for less than 90 days, submitted by enterprises in industrial parks or economic zones; receive reports on dismissal of employees, subcontracting of laborers, results of professional training and skill development courses held on an annual basis; receive notification

of the location, region and time of commencement of operation, and managers or key title holders of enterprise as the labor subcontractor, and notification of overtime work lasting from over 200 hours to 300 hours a year of enterprises operating in industrial parks and economic zones;

d) Issue certain licenses or certificates allowed to use in industrial parks and economic zones;

dd) Conduct evaluation and approval of environmental impact assessment reports of investment projects under the decision-making authority of the provincial People's Committee in industrial parks or economic zones; receive applications for registration and certify environmental protection plans with respect to investment projects subject to registration requirements in industrial parks or economic zones; assess, approve, inspect and certify detailed or simplified environmental protection schemes for investment projects in industrial parks and economic zones; inspect and certify implementation of construction works and environmental protection measures to arrange for the stage of official operation of investment projects located within industrial parks or economic zones.

4. The Management Board of industrial parks and economic zones shall act as an agency playing the central role in management of investments in industrial parks and economic zones within its jurisdiction. Ministries, sectoral administrations and local State regulatory authorities, when performing professional tasks in industrial parks or economic zones, shall have to cooperate and consult with the Management Board of industrial parks to ensure uniformity in the state management of industrial parks and economic zones, avoidance of overlapping and provision of favorable conditions for enterprises' operations as per law.

#### **Article 64. Duties and powers of the Management Board of economic zones**

Notwithstanding the tasks and powers of the Management Board of industrial parks and economic zones defined in Article 63 of this Decree, the Management Board of economic zones shall additionally have the following duties and powers:

1. Formulate and, within its jurisdiction, send to the provincial-level People's Committees for submission to the Prime Minister to seek his decision on the followings:

a) General planning for construction of economic zones;

b) Plans for issuance of construction bonds; approaches to mobilizing capital other than aforesaid financing sources for investment in development of important technical and social infrastructure systems within economic zones.

2. Formulate and submit to ministries, sectoral administrations and provincial People's Committees for their approval and implementation of:

a) Planning for construction of functional areas in line with the approved general planning on construction of economic zones, detailed planning schemes and plans of use of land in economic zones, all of which are then submitted to the provincial People's Committee for its approval;

b) Annual and five-year plans for development of economic zones which are submitted to the provincial People's Committee and competent state agencies for their approval;

c) List of investment projects, annual and five-year developmental fund estimate submitted to competent agencies for approval or approval at their discretion within their jurisdiction;

d) Set up brackets of prices, fees and charges applied in economic zones for submission to competent authorities for their approval of issuance as per laws.

3. The Management Board of economic zones shall direct and implement the following duties:

a) Grant, re-grant, amend, supplement and extend the license for establishment of representative offices or branches in economic zones with regard to foreign tourist agencies in accordance with laws, and instructions provided or authority delegated by ministries, sectoral administrations and provincial People's Committees;

b) Hire foreign consultants rendering investment promotion and investment strategy consultancy services for construction and development of economic zones;

c) Make a decision on investment in group-B and group-C projects financed by public investment capital in economic zones under its authority delegated by the provincial People's Committee;

d) Propose the list of projects, organize selection of investors, sign BOT, BTO, BT or other contracts under legislation on public-private partnership, and contracts for implementation of group-B and group-C projects under its authority delegated by the provincial People's Committee; directly receive, manage and use ODA funds;

dd) Manage and use sources of investment capital for development of economic zones under its delegated authority; manage investment, construction and bidding for investment projects funded by development investment capital from the State budget in economic zones under its delegated authority; manage and undertake collection and spending of administrative and non-business revenues and expenditures, and target programs and other capital sources authorized under the provisions of law;

e) Assume the prime responsibility for, and cooperate with concerned agencies in, repair and maintenance of technical and social infrastructure system as well as public-utility and service works developed by using the state budget's funds in economic zones;

g) Effectively manage and use specialized land and water surface areas allocated for proper purposes and in line with the general planning for construction of economic zones, the planning for construction of functional areas and the land use planning and plan approved by the competent authority;



h) Re-allocate land along with collection of land levies, re-allocate land without collection of land levies or lease out land and exercise other powers related to management of land located within economic zones under laws on land;

i) Cooperate with local authorities and concerned agencies in ensuring operation of economic zones in line with the planning and plans for construction and development of economic zones already approved by competent state agencies, and in conformity with relevant regulations.

### **Article 65. Organizational and staffing structure of the Management Board of industrial parks and economic zones**

1. The Management Board of industrial parks and economic zones shall be composed of the Head and no more than 03 Vice Heads; and assistant staff.

The Head shall be appointed or dismissed by the Chair of the provincial People's Committee. Vice Heads shall be appointed or dismissed by the Chair of the provincial People's Committee upon the request of the Head.

2. The Head shall be responsible for administering all activities of the Management Board of industrial parks and economic zones, and shall be held responsible to the provincial People's Committee and before the law for operation and effectiveness of these industrial parks and economic zones.

3. The organizational structure of the Management Board of industrial parks and economic zones shall include: assistant staff (e.g., administrative, professional divisions and representatives of the Management Board in industrial parks and economic zones); affiliated non-business units performing public-utility or public-utility tasks, investment or business support services for local investors and other organizations suitable to development of industrial parks and economic zones, and the tasks and powers divided by specific types of the Management Board of industrial parks or economic zones under guidance provided by competent agencies and law regulations.

4. In order to establish professional and specialized divisions, the following conditions and criteria must be satisfied:

a) Multi-disciplinary or multi-sectoral management divisions must be established; operational sectors or domains undertaken by these divisions must be managed in conformity with clear management processes or clearly focus on managed entities, and correspond to assigned duties and powers of the Management Board of industrial parks and economic zones;

b) At least 07 staff members must be available to undertake the required work volume;

c) 01 Vice Head must be appointed to manage the professional or specialized division having from 07 to 09 staff members, and not more than 02 Vice Heads with respect to the professional or specialized division having at least 10 staff members;

d) The number of vice heads of the Office of the Management Board of industrial parks and economic zones, and the Representative Office in industrial parks, shall be the same as that of a professional and specialized division.;

dd) The number of vice heads of a non-business unit affiliated to the Management Board of industrial parks and economic zones must be no more than 02 persons.

5. The number of public servants and employees working in public non-business units who are members of the Management Board of industrial parks and economic zones shall be determined on the basis of working position, associated with their functions, tasks and scope of operations, and shall not exceed the number of public servants and employees working for administrative agencies, organizations and non-business units of centrally-affiliated cities and provinces which is allocated or approved by competent authorities.

## **Chapter VII**

### **IMPLEMENTARY PROVISIONS**

#### **Article 66. Transitional provision**

1. Industrial parks and economic zones which have already completed planning, investment and establishment procedures required by laws before the effective date of this Decree shall not have to implement any other planning, investment and establishment procedures as prescribed herein.

2. Adjustment and implementation of the planning for development of industrial parks, the planning for development of coastal economic zones, the planning for development of border-gate economic zones and other planning for development of industrial parks and economic zones, all of which have been already approved by competent authorities, shall be continued according to the approved planning schemes and regulations laid down herein to the end of December 31, 2020, except the planning for industrial parks and economic zones of localities where there are regional and provincial planning schemes which were approved under the Law on Planning prior to the aforementioned deadline.

3. Formulation of the planning for development of industrial parks, the planning for development of coastal economic zones, the planning for development of border-gate economic zones and other planning for development of industrial parks after December 31, 2020, shall be subject to legislative regulations on management of planning.

#### **Article 67. Entry into force**

1. This Decree shall enter into force on July 10, 2018.

2. The Government's Decree No. 29/2008/ND-CP dated March 14, 2008 regulating industrial parks, export processing zones and economic zones, the Government's Decree No.164/2013/ND-CP dated December 11, 2013 amending and supplementing the Government's Decree No. 29/2008/ND-CP, and the Government's Decree No. 114/2015/ND-CP dated November 9, 2015

amending and supplementing Article 21 of the Decree No. 29/2008/ND-CP, shall be repealed from the effective date of this Decree.

### **Article 68. Implementation**

Ministers, Heads of Ministry-level agencies, Heads of Governmental bodies, Chairpersons of People's Committees of centrally-affiliated cities and provinces, Heads of the Management Boards of industrial parks, export processing zones, economic zones, and organizations and individuals concerned, shall be responsible for implementing this Decree./.

**PP. THE GOVERNMENT  
THE PRIME MINISTER**

**Nguyen Xuan Phuc**

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