**TRA VINH PROVINCIAL PEOPLE'S COMMITTEE**

**MANAGEMENT BOARD OF ECONOMIC ZONE**

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**INVESTMENT INCENTIVE POLICY AND SUPPORT IN INDUSTRIAL ZONE, ECONOMIC ZONE IN TRA VINH PROVINCE**

**I. GENERAL PROVISION:**

**\* Areas of investment incentive include:**

- Areas with extremely difficult socio-economic conditions (Dinh An economic zone (EZ));

- Areas with difficult socio-economic conditions (Cau Quan industrial zone (IZ), Co Chien IZ, Long Duc IZ).

(Listed in appendix II, list of areas for investment incentive in Decree No. 118/2015/ND-CP dated on September 22, 2006 of the Government detailing and guiding the implementation of a number of articles in the investment law 2014).

**II. INVESTMENT INCENTIVE:**

**1. Land rent:**

**\* For Dinh An EZ:**

 (According to Decree No. 35/2017/ND-CP dated on April 3, 2017 of the Government regulating the land rent, water surface rent fee in EZs, high-tech zones).

 Dinh An EZ covers the districts of Duyen Hai and Tra Cu, Duyen Hai district is not included in the list of areas with difficult socio-economic conditions, Tra Cu district belongs to the list of areas with extremely difficult socio-economic conditions. Depending on the area and location of the investment, the investors will be entitled to the following investment incentives of land:

- Exemption of land rent during the capital construction period but not exceeding 3 years from the date of issuance of the land rent decision issued by a competent state agency.

- Exemption of land rent after the land rent exemption period of basic construction period (except for cases that the investors are rented land by the State for investment in the construction and business of infrastructures in functional quarters in the EZs):

+ 11 years for projects are not included in the list of preferential investment field, invested in the EZs located in the district level not included in the list of areas for investment incentives.

+ 15 years for the projects are not included in the list of preferential investment fields invested in the economic zones located in the district level in areas with extremely difficult socio-economic conditions; projects on the list of investment preferential field invested in the EZs located in the district not on the list of preferential investment field.

+ 19 years for projects in the list of investment incentive area, invested in the economic zone located in the district with extremely difficult socio-economic conditions.

- Exemption the land rent, water surface rent fee for the whole rent term (except for cases that the investors are leased land by the State for investment in the construction and business of infrastructures in functional quarters in the economic zone):

+ Projects in the fields of special investment incentive.

+ Investment project to build houses for employees in EZs.

- Investors are leased land by the State for investment in the construction and business of infrastructures in functional quarters in the economic zone shall be exempted land rent after the land rent exemption period during the basic construction period:

+ 11 years if the project is invested in the district level not included in the list of investment incentive areas.

+ The entire rent period if the project is invested in the district level in the list of areas with specially difficult socio-economic conditions.

**\* For Cau Quan and Co Chien IZs:**

(According to Decree 46/2014/ND-CP dated on 15 May, 2014 of the Government regulating the land rent and water surface rent fee).

- Exemption the land rent or water surface rent fee for the whole rent term for the land used for construction of infrastructure in IZs according to the regulations approved by the competent authority defined in clause 2, article 149 of the Land Law (clause 1, article 19 of Decree No. 46/2014/ ND-CP).

- Exemption of the land rent or water surface rent fee during the period of basic construction under the projects approved by competent authorities, which must not exceed 3 years from the date of land and water surface rent decision (clause 2, article 19 of Decree 46/2014/ND-CP).

- Exemption of land and water surface rent fee after the time of land and water surface rent exemption in basic construction period for investment projects in industrial zones:

+ Seven years for investment projects in industrial zones (point b, clause 3, article 19 of Decree No. 46/2014/ND-CP);

+ Eleven years for projects in the list of investment incentive areas invested in industrial zones (point c, clause 3, article 19 of Decree No. 46/2014/ND-CP);

+ Fifteen years for projects in the list of special investment incentive invested in industrial zones (point c, clause 3, article 19 of Decree No. 46/2014/ND-CP).

**2. For enterprise income tax:**

**a) Long Duc, Cau Quan, Co Chien IZs:**

- The tax rate of 17% for 10 years for enterprises' income from new investment projects in areas with difficult socio-economic conditions.

(Point a, clause 3, article 15 of Decree No. 218/2013/ND-CP)

- Tax exemption for 02 years, reduction of 50% of payable tax for 4 subsequent years on income of enterprises from new investment projects in areas with difficult socio-economic conditions.

(Clause 3, article 16 of Decree No. 218/2013/ND-CP)

**b) Dinh An EZ:**

- For new investment projects:

+ Tax rate: Preferential tax rate of 10% for 15 years for enterprises' income from the implementation of new investment projects in economic zones (point a, clause 1, article 15 of Decree No. 218/2013/ND-CP).

+ Tax exemption and reduction: The tax exemption for 04 years, 50% reduction of the payable tax for the next 9 years for the enterprise's income from the implementation of new investment projects in the economic zone (point a, clause 1, article 16 of Decree No. 218/2013/ND-CP).

- For expansion investment projects:

+ Tax exemption and reduction: Tax exemption for 4 years, reduction of 50% of tax in the next 9 years for enterprises' income from implementation of expansion investment projects in economic zones (clause 5, article 16 of Decree No. 218/2013/ND-CP).

 An expansion investment project must satisfy one of the criteria specified in clause 5, article 16 of Decree No. 218/2013/ND-CP:

• The cost of fixed possession increases when the project is completed and put into operation reaching at least VND 20 billion for the expansion investment projects in the tax incentive areas for private enterprises under the provisions of this Decree or from VND 10 billion for expansion investment projects in areas with extremely difficult socio-economic conditions according to the provisions of the law on private enterprise tax;

• The fixed possession increases 20% compared to the total of fixed possession before investment;

• Capacity increases at least 20% compared to designed capacity before investment.

**3. For export tax and import tax:**

 Raw materials and components which can not be produced in the country are imported for production of the investment projects exempted the import tax for a period of 5 years from the commencement of production in accordance with clause 13, article 16 of the Law of export tax and import tax. (clause 1, article 15 of Decree No. 134/2016/ND-CP detailing the implementation of a number of articles and measures for implementation of the Law on export tax and import tax).

**4. For personal income tax:**

 50% reduction of personal income tax for people who must pay personal income tax, including Vietnamese and foreigners working in economic zones (clause 5, article 16 of Decree No. 29/2008/ND- CP).

**III. Investment support acording to the Resolution No. 11/2016/NQ-HDND dated on December 8, 2016 and the Resolution No. 52/2017/NQ-HDND dated on December 8, 2017**

**1. Support for compensation for ground clearance:**

 The provincial budget supports 10% of the cost of compensation for ground clearance, resettlement or investment fee in the construction of technical infrastructure items for investors investing in infrastructure construction and trading functional zones in economic zones and industrial zones (clause 2, article 8 of Resolution No. 11/2016/NQ-HDND dated on December 8, 2016).

**2. Technical infrastructure investment support:**

 For investors investing in construction and business of infrastructure in EZs and IZs are funded by the provincial budget for the construction of traffic roads, electricity supply and water supply from the connection points to the fence of functional areas in EZs, IZs.

 Suport 100% of making environmental impact assessment reports but each project doesn’t exceed VND 1 billion and support after completion of operation (clause 2, article 9 of Resolution No. 11/2016/NQ-HDND dated on December 8, 2016).

 In cases the investors advance funds for investment in construction of traffic roads, electricity supply and water supply from the connection points to the fences of functional zones in EZs, IZs, the province will refund in 3 years after the works acceptance is put into use and supported 100% bank interest rate (if any) under the loan contract with domestic commercial banks. In case of advances funded by capital of enterprises or loans from foreign banks, the interest rate will be calculated according to the interest rate of the Investment and Development bank of Tra Vinh province within the above-said time limit(clause 4, article 9 of Resolution No. 11/2016/NQ-HDND dated on December 8, 2016).

**3. Advisory support for setting up, registration and protection of intellectual property; support the application of tools to improve the productivity and quality of products of enterprises.**

(Article 13 of Resolution No. 11/2016/NQ-HDND dated on December 8, 2016)

**4. Employment recruitment and training:**

**a) Support for employment recruitment:**

 Enterprises recruiting employees are supported 50% of information cost, employment recruitment announcement on Tra Vinh Radio and Television, Tra Vinh newspaper, district radio and city. The support doesn’t exceed VND 50 million/ project.

 (Article 14, Resolution No. 11/2016/NQ-HDND dated on December 8, 2016)

**b) Support for employment training:**

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| --- | --- | --- | --- |
| **Order** | **Form of support** | **Training duration** | **Support level (VND /person)** |
| **I** |  **For projects with regular use of between 100 and 5,000 employees, the maximum support level doesn’t exceed VND 300 million/project** |
| 1 |  Vocational training for local employees at provincial vocational training institutions, the total support fund doesn’t exceed VND 300 million /project | More than 3 months | 1.000.000 |
| Less than 3 months | 500.000 |
| 2 |  Training at enterprises or on-the-job training, the total support fund doesn’t exceed VND 150 million/project  | More than 3 months | 500.000 |
| Less than 3 months | 250.000 |
| **II** |  **For projects with regular use of more than 5,000 employees, the maximum support level is between VND 250 and 500 million/ project** |
| 1 |  Vocational training for local employees at provincial vocational training institutions, the total support fund doesn’t exceed VND 500 million /project | More than 3 months | 1.000.000 |
| Less than 3 months | 500.000 |
| 2 |  Training at enterprises or on-the-job training, the total support fund doesn’t exceed VND 250 million/ project | More than 3 months | 500.000 |
| Less than 3 months | 250.000 |