

**THE GOVERNMENT****THE SOCIALIST REPUBLIC OF VIETNAM**  
**Independence - Freedom - Happiness**

No. 210/2013/ND-CP

*Hanoi, December 19, 2013***DECREE****on incentive policies for enterprises investing in agriculture and rural areas <sup>(\*)</sup>***Pursuant to the December 25, 2001 Law on Organization of the Government;**Pursuant to the November 29, 2005 Investment Law;**Pursuant to the November 26, 2003 Land Law;**At the proposal of the Minister of Planning and Investment,**The Government promulgates the Decree on incentive policies for enterprises investing in agriculture and rural areas.*

## DECREES:

## Chapter I

## GENERAL PROVISIONS

**Article 1.** Scope of regulation

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

**Article 2.** Subjects of application

1. This Decree applies to investors entitled to incentives and supports which are enterprises established and registering operation in accordance with Vietnamese law.

2. Agencies, organizations and persons involved in the implementation of incentive and support policies provided in this Decree.

**Article 3.** Interpretation of terms

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

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<sup>(\*)</sup> Công Báo Nos 05-06 (02/01/2014)

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

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

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

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

**Article 4.** Principles of application of investment incentives and supports

1. Investors that, when developing material zones, have long-term contracts on joint material production with farmers are prioritized for consideration and grant of investment incentives and supports.

2. An enterprise with an investment project entitled to different levels of investment incentives and supports at a time may choose to apply the highest levels of investment incentives and supports.

3. Projects having used preferential or guaranteed credit capital of the State are not entitled to the state budget supports provided in this Decree.

Chapter II

LAND INCENTIVES

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

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

2. An investor with an agricultural project eligible for investment incentives using land allocated by the State is entitled to a 70% reduction of payable land use levy for that investment project.

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

**Article 6.** Land and water surface rental exemption and reduction

1. An investor with an agricultural project eligible for investment incentives or investment promotion leasing land or water surface from the State is entitled to the lowest rental rate applicable to the corresponding type of land within the land price table prescribed by the provincial-level People's Committee.

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

3. An investor with an agricultural project eligible for investment incentives is entitled to exemption from land or water surface rental for the first 15 years from the date of completion and commissioning of this project.

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

5. An investor with an agricultural project eligible for special investment incentives, investment incentives or investment promotion is entitled to exemption from land rental for land areas used for building workers' housing and growing trees and for public welfare purposes.

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

1. An investor with an agricultural project eligible for special investment incentives leasing land or water surface of households or individuals for this investment project is entitled to state support equal to 20% of land or water surface rental provided in Clause 1, Article 6 of this Decree for the first 5 years after completing capital construction.

2. Investors with agricultural projects eligible for special investment incentives, investment incentives or investment promotion are encouraged to accumulate land to form material zones by receiving land use rights contributed as capital from households and individual, for projects not subject to land recovery by the State.

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

1. An investor with an agricultural project eligible for special investment incentives included in a master plan approved by a competent state agency is entitled to exemption from land use levy when changing the land use purpose for project implementation under this Decree.

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

Chapter III  
INVESTMENT SUPPORTS

**Article 9.** Supports for human resource training, market development and science and technology application

1. An investor with an agricultural project eligible for special investment incentives, investment incentives or investment promotion is entitled to state budget supports as follows:

a/ Support of 70% of the funding for domestic vocational training. Each laborer may receive training support once with the duration of training eligible for support not exceeding 6 months. The level of funding for training must comply with current regulations;

If the investor recruits untrained laborers who are living in special-use forests for training and long-term employment, contributing to protecting special-use forests, it is entitled to one-off support of VND 3 million/3 months/laborer for expenses for direct training at the enterprise.

b/ Support of 50% of expenses for business and product advertising in the mass media; 50% of funding for domestic exhibitions and fairs; and a 50% reduction of payable charges for market information access and for services from trade promotion state agencies;

c/ Support of 70% of funding for researches initiated by the enterprise itself to create new technologies for implementing that project; or for purchase of copyright of technology for implementing the project; support of 30% of the total funding for new investment to implement a trial production project.

2. The supports specified at Points a and b, Clause 1 of this Article shall be provided for each investment project. The total amount of supports for a project must not exceed 10% of the project's total investment and VND 1 billion. An enterprise that does not receive these supports directly from the state budget may have these supports accounted into its production expenses when making settlement with competent state agencies.

3. Supports for approved projects specified at Point c, Clause 1 of this Article shall be taken from the national fund for science and technology development, the national fund for technology renovation, funds for science and technology development of ministries, provinces and centrally run cities and state budget support funds under this Decree. The support level must not exceed VND 3 billion/project.

**Article 10.** Supports for investment in cattle and poultry slaughterhouses

1. An investor with an investment project on a concentrated cattle or poultry slaughterhouse is entitled to state budget supports as follows:

a/ Support of at least VND 2 billion/project for building infrastructure of electricity, water, workshops and waste treatment, and for purchasing equipment. For a project with

a slaughtering capacity higher than the one specified at Point a, Clause 2 of this Article, the support level will increase correspondingly;

b/ If road and electricity and water supply and drainage systems are not available at the project site, in addition to the support level provided at Point a, Clause 1 of this Article, the project is entitled to a support equal to 70% of the expenses for building those items, which, however, must not exceed VND 5 billion.

2. An investment project entitled to the supports provided in Clause 1 of this Article must satisfy the following conditions:

a/ Its daily slaughtering capacity reaches at least 400 cattle heads or 4,000 poultries or 200 cattle heads and 2,000 poultries;

b/ It is located in an area planned for concentrated industrial slaughtering as approved by a competent state agency or its investment is approved by the provincial-level People's Committee if no approved master plan is available;

c/ It ensures veterinary hygiene, epidemic prevention and control safety, food safety and environmental protection in accordance with the laws on animal health, food safety and environmental protection;

d/ The investor employs locals accounting for at least 30% of the project's workers.

#### **Article 11.** Investment supports for cattle raising establishments

1. An investor with an investment project on a concentrated cattle raising establishment is entitled to state budget supports as follows:

a/ Support of VND 3 billion/project, particularly for raising high-yield milch cows, the support level is VND 5 billion/project for building infrastructure of waste treatment, roads, electricity, water, workshops and pasture, and for purchasing equipment;

b/ If road and electricity and water supply and drainage systems are not available at the project site, in addition to the support level provided at Point a, Clause 1 of this Article, the project is entitled to a support equal to 70% of the expenses for building those items, which, however, must not exceed VND 5 billion;

c/ In addition to the supports for infrastructure provided at Points a and b above, the project is entitled to a support not exceeding 40% of the expenses for importing original high-yield breeds of livestock. In addition, cow-breeding enterprises and households are entitled to a support of 10 million/cow, for provinces with a cow herd of over 5,000, or VND 15 million/cow, for other provinces, for importing breeder milch cows from developed countries (separate projects may be developed).

2. An investment project entitled to the supports specified at Points a and b, Clause 1 of this Article must satisfy the following conditions:

a/ It raises at least 1,000 porkers in a concentrated manner; or at least 500 beef buffaloes or cows or meat goats or sheeps; or at least 200 imported high-yield beef cows; or at least 500 imported high-yield milch cows;

b/ It is within the planning approved by a competent state agency or its investment is approved by the provincial-level People's Committee if no approved master plan is available;

c/ It ensures veterinary hygiene, epidemic prevention and control safety, food safety and environmental protection in accordance with the laws on animal health, food safety and environmental protection;

d/ The investor employs locals accounting for at least 30% of the project's workers.

**Article 12.** Support for plantation of medicinal plants and macadamia

1. An investor with a project to grow medicinal plants or macadamia on 50 hectares or more is entitled to state budget support of VND 15 million/ha for developing fields and seedlings. An establishment producing 500,000 macadamia seedlings/year is entitled to a support equal to maximum 70% of its investment expenses, which, however, must not exceed VND 2 billion.

2. An investment project entitled to the supports specified in Clause 1 of this Article must be within the planning approved by a competent state agency or its investment is approved by the provincial-level People's Committee if no approved master plan is available; the medicinal plant is on the Ministry of Health's list of plants prioritized and encouraged for development; the investor must employ locals accounting for at least 30% of the project's total workers.

**Article 13.** Investment supports for aquaculture at sea

1. An investor with an investment project on concentrated aquaculture at sea or on an island coast is entitled to state budget supports as follows:

a/ Support of VND 100 million for 100 m<sup>3</sup> of rearing cages, for aquaculture in a sea area over 6 nautical miles offshore or in the coastal area of an island.

b/ Support of VND 40 million for 100 m<sup>3</sup> of rearing cages, for aquaculture in inshore areas.

2. An investment project entitled to the supports specified in Clause 1 of this Article must satisfy the following conditions:

a/ It is within the planning approved by a competent state agency or its investment is approved by the provincial-level People's Committee if no approved master plan is available;

b/ Its rearing area is at least 5 ha or it has 10 rearing cages each of over 100 m<sup>3</sup>;

c/ It meets environmental protection requirements under the law on environmental protection;

d/ The investor employs locals accounting for at least 30% of the project's workers.

**Article 14.** Investment support for establishments drying rice, maize, potato, cassava or aquatic by-products or processing coffee

1. An investor with an investment project on establishments drying rice, maize, potato, cassava or aquatic by-products or wet-processing of coffee is entitled to state budget support as follows:

a/ Support of VND 2 billion/project for building transport, electricity, water infrastructure and workshops, and for purchasing equipment, for drying rice, maize, potato, cassava or aquatic by-products;

b/ Support of VND 3 billion/project for building transport, electricity, water infrastructure and workshops, treating waste and purchasing equipment, for wet processing of coffee.

2. An investment project entitled to the supports specified in Clause 1 of this Article must satisfy the following conditions:

a/ For drying rice, maize, potato or cassava, the capacity reaches at least 150 tons/day; or at least 50 tons/day, for drying aquatic by-products; or at least 5,000 tons/year, for wet processing of coffee;

b/ It is within the planning approved by a competent state agency or its investment is approved by the provincial-level People's Committee if no approved master plan is available;

c/ It meets environmental protection requirements under the law on environmental protection;

d/ The investor employs locals accounting for at least 30% of the project's workers and uses local rice, maize, potato, cassava, aquatic by-products or coffee accounting for 60% of the project's materials.

**Article 15.** Investment support for processing of particular timber of planted forests for northwestern provinces and provinces with poor districts under the Government's Resolution No. 30a/2008/NQ-CP of December 27, 2008



1. A domestic investor with an investment project on a mill processing timber of planted forests or industrial bamboo is entitled to state budget supports as follows:

a/ Support of VND 20 billion for a mill manufacturing medium-density fiberboard (MDF) with an annual capacity of over 30,000 m<sup>3</sup> of MDF; support of VND 10 billion for a mill processing particle board or industrial bamboo with a capacity of over 20,000 m<sup>3</sup>, for building transport, electricity and water infrastructure and workshops and treating waste;

b/ Support of VND 1,500/ton/km for transporting products; the distance is the nearest way by car from the site of the mill to the center of Hanoi, Da Nang or Ho Chi Minh City; the transported volume is calculated based on the actual capacity of equipment of the mill; the period of support is 5 years, the total support is divided in 3 times, the fund supported right upon the mill completion is at least 70% of the total support.

2. An investment project entitled to the supports specified in Clause 1 of this Article must satisfy the following conditions:

a/ Its investment is approved by the provincial-level People's Committee;

b/ For a mill manufacturing MDF or particle board, it also manufactures woodblock, artificial board, timber plank and plywood to avoid waste of natural resources; the output of these by-products may be included for calculation of capacity for enjoying transport support;

c/ Its equipment is manufactured in developed countries; or is brand-new if it is manufactured in a developing country. The mill will not be relocated from the locality registered for manufacture within 20 years;

d/ The area of existing planted forests and materials in the province is enough for the mill to operate at not lower than 60% of its capacity during the first 5 years. The project employs locals accounting for at least 30% of its workers;

dd/ The total actual capacity of equipment of mills entitled to transport support does is 200,000 tons at most for each province;

e/ Support is not granted for provinces having had pulp mills with an annual capacity of 50,000 tons or more;

g/ The project meets environmental protection requirements under the law on environmental protection.

**Article 16.** Investment support for establishments producing, preserving and processing agricultural, forest and aquatic products

1. An investor with an investment project on a mill or an establishment preserving or processing agricultural, forest or aquatic products; an establishment producing auxiliary



products or manufacturing mechanical equipment for preserving or processing agricultural, forest or aquatic products is entitled to state budget support as follows:

a/ Support of at most 60% of expenses for building waste treatment, transport, electricity and water infrastructure and workshops, and for purchasing equipment within the project site, which, however, must not exceed VND 5 billion/project;

b/ Support of at most 70% of expenses for waste treatment for large and labor-intensive mills processing agricultural, forest or aquatic products, which have great economic and social impacts in the locality;

c/ Support of VND 1,500/ton/km for transporting products; the distance is the nearest way by car from the site of the preserving or processing mill or establishment to the center of the province or centrally run city where the mill or establishment is located; the transported volume is calculated based on the actual capacity of equipment of the mill; the support is provided once right upon the investment completion; the period of support is 5 years;

d/ In addition to the supports specified at Points a and b, Clause 1 of this Article, if road, electricity and water supply and drainage systems are not available to the project site, the project is entitled to a support equal to 70% of the expenses for building these work items (a separate project may be developed), the total of which must not exceed VND 5 billion/project.

2. An investment project entitled to the supports specified in Clause 1 of this Article must satisfy the following conditions:

a/ The value of processed products increases at least 2 times that of initial raw materials;

b/ The project ensures food safety standards under the law on food safety and has a minimum capacity as prescribed by competent agencies;

c/ The project is within the planning approved by a competent state agency or its investment is approved by the provincial-level People's Committee if no approved master plan is available;

d/ The project meets environmental protection requirements under the law on environmental protection;

dd/ The project is other than those specified in Articles 14 and 15 of this Decree;

e/ The project investor employs locals accounting for at least 30% of its workers and uses local agricultural, forest or aquatic materials accounting for 60% of the total materials.

#### **Article 17.** Funding sources and investment support mechanism

1. Investment funding sources under this Decree include targeted central budget supports for local budgets and integrated funds of programs and projects, and local budgets.

Provinces and centrally run cities shall annually allocate 2-5% of their budgets for support implementation. The central budget shall support local budgets according to the following principles:

a/ Localities receiving central budget allocations that account for over 70% of their budgets are entitled to central budget supports of at most 80% of the funds for support implementation;

b/ Localities receiving central budget allocations that account for 50-70% of their budgets are entitled to central budget supports of at most 70% of the funds for support implementation;

c/ Localities receiving central budget allocations that account for under 50% of their budgets are entitled to central budget supports of at most 60% of the funds for support implementation;

d/ Localities making allocations to the central budget shall self-finance the support implementation;

dd/ Projects implemented in border areas or on islands and hi-tech projects are entitled to central budget supports;

e/ The Ministry of Planning and Investment shall assume the prime responsibility for, and coordinate with the Ministry of Finance in, making allocations from the sources of annual development investment funds and targeted supports for local budgets, and report to competent authorities for implementation of this policy.

## 2. Investment support mechanism

a/ The central budget shall support only projects in need of support of over VND 2 billion. Local budgets shall support remaining projects, even including those in need of support of over VND 2 billion which do not use central budget funding;

b/ The state budget provide post-investment supports. When work items or bid packages of a project are completed, the project may have 70% of the supported funds disbursed according to such work items or bid packages. After investment is completed and the project is accepted after being tested, the remaining supported funds will be disbursed;

c/ The Prime Minister shall decide on the total support levels assigned to, and the list of support-eligible projects of, localities and assign the Ministry of Planning and Investment to notify the support level for each project;

d/ The Prime Minister shall determine funding sources and investment support procedures for enterprises with foreign direct investment and enterprises with wholly state-owned charter capital;

dd/ The state budget support amount for an enterprise shall be regarded as its domestic fund and be guaranteed by the State when the enterprise borrows loans from commercial banks for implementation of that project.

Chapter IV  
ORGANIZATION OF IMPLEMENTATION

**Article 18.** Responsibilities of ministries and central sectors

1. The Ministry of Planning and Investment:

a/ To assume the prime responsibility for, and coordinate with the Ministry of Finance and the Ministry of Agriculture and Rural Development in, guiding conditions, order and procedures for support incentives under this Decree. To provide the conversion of the percentage of the support levels specified in Articles 11, 12 and 16 of this Decree into absolute value for implementation;

b/ To assume the prime responsibility for, and coordinate with the Ministry of Finance in, synthesizing and arranging targeted central budget support funds for local budgets and submitting them to competent authorities for decision;

c/ To assume the prime responsibility for, and coordinate with the Ministry of Finance in, appraising supports for projects entitled to central budget supports;

d/ To elaborate a plan on implementation of the Decree and submit it to the Prime Minister for promulgation, to urge ministries, sectors and localities in implementing the Decree;

dd/ To report to the Prime Minister for decision on increase or decrease of support levels and beneficiaries provided in this Decree suitable to each development period.

2. The Ministry of Finance:

a/ To assume the prime responsibility for guiding the payment and settlement of amounts supported to enterprises under this Decree;

b/ To monitor and inspect the support of funds to enterprises investing in agriculture and rural areas;

c/ To coordinate with the Ministry of Planning and Investment and the Ministry of Agriculture and Rural Development in guiding the implementation of this Decree.

3. The Ministry of Agriculture and Rural Development:

a/ Every five years, to announce a list of specific high-yield livestock breeds entitled to support under Point c, Clause 1, Article 11 of this Decree;

b/ To coordinate with the Ministry of Planning and Investment and the Ministry of Finance in guiding the implementation of this Decree.

**Article 19.** Responsibilities of provincial-level People's Committees

1. To arrange local budget funds to ensure support for enterprises under this Decree.

2. Based on particular products and available resources of their localities, to propose provincial-level People's Councils to promulgate particular incentive policies for enterprises investing in agriculture and rural areas in their localities.

3. To approve investment projects entitled to incentives and supports from local budgets after they are appraised by related agencies.

4. To approve central budget supports for projects funded with the central budget after they are appraised by competent agencies.

5. To annually evaluate the implementation of the Decree in their localities and send reports to the Ministry of Planning and Investment and concurrently to the Ministry of Finance and the Ministry of Agriculture and Rural Development for summarization and reporting to the Government.

**Article 20. Effect**

1. This Decree takes effect on February 10, 2014.

2. This Decree replaces the Government's Decree No. 61/2010/ND-CP of June 4, 2010, on incentive policies for enterprises investing in agriculture and rural areas.

3. Investors with investment projects eligible for the incentives prescribed in this Decree that implemented their projects before the effective date of this Decree and have not enjoyed the incentives prescribed in Decree No. 61/2010/ND-CP of June 4, 2010, are entitled to the incentives and supports prescribed in this Decree for the remaining time of those projects.

4. Investors that are enjoying the investment incentives and supports prescribed in Decree No. 61/2010/ND-CP of June 4, 2010, may continue enjoying those incentives and supports or request to enjoy the incentives and supports prescribed in this Decree for the remaining time of their projects.

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

*On behalf of the Government*

Prime Minister

NGUYEN TAN DUNG

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

*(To the Government's Decree No. 210/2013/ND-CP of December 19, 2013)*

1. Growing and protection of forests, growing of medicinal plants.
2. Building and development of concentrated material zones to serve processing industries. Development of large fields.
3. Concentrated raising of cattle, poultry and aquatic and marine animals.
4. Production and development of plant varieties and livestock breeds, forest tree varieties and aquatic animal breeds.
5. Application of biotechnology and high technology to agricultural, forest and aquatic production.
6. Offshore fishing.
7. Salt making and refining.
8. Production and processing of cattle, poultry and aquatic animal feeds and bio-preparations.
9. Processing and preservation of agricultural, forest and aquatic products and medicinal plants.
10. Production of pulp, paper, cardboard and artificial boards from domestic agricultural and forest materials.
11. Production of plant protection drugs and their materials, veterinary drugs and products for treating and improving the environment in animal breeding and aquaculture.
12. Production of handicrafts and traditional cultural and national products.
13. Construction of clean water supply and drainage systems.
14. Construction, renovation and upgrading of concentrated and industrial poultry and cattle slaughtering, preservation and processing establishments.
15. Pollution treatment and environmental protection; collection and treatment of wastewater, exhaust gas and solid waste.
16. Construction of rural markets; construction of worker dormitories in rural areas.
17. Manufacture of machines, equipment and additive and auxiliary substances for agricultural production, silviculture, fishery and salt making, and food processing machines.
18. Plant protection and veterinary services in rural areas.
19. Services of investment, scientific and technical counseling on agricultural, forest and aquatic production and salt making in rural areas.-