

LAW ON INVESTMENT

Pursuant to the Constitution of the Socialist Republic of Vietnam;

The National Assembly hereby issues the *Law on Investment*.

CHAPTER I

General Provisions

Article 1. Governing scope

This Law regulates business investment activities in Vietnam and business investment activities from Vietnam to overseas countries.

Article 2. Applicable entities

Investors and organizations or individuals involved in business investment activities are subject to this Law.

Article 3. Interpretation of terms

In this Law, the following terms are construed as follows:

1. *Investment registration agency* means the competent agency which issues, amends and revokes investment registration certificates.
2. *Investment project* means a collection of proposals for the expenditure of medium or long-term capital in order to conduct business investment activities in a specific geographical area and for a specified duration.
3. *Expanded investment project* means any investment project for development of a current project conducting business investment activities by way of expanding the scale, increasing the capacity, renewing technology, reducing environmental pollution or improving the environment.

4. *New investment project* means any project which is implemented for the first time or any project which operates independently of a current project conducting business investment activities.
5. *Business investment* means the expenditure of capital by an investor to conduct business activities via establishment of an economic organization; investment by capital contribution, purchase of a portion of capital contribution or shares in an economic organization, to conduct investment on the basis of a contract or implement an investment project.
6. *Investment registration certificate ["IRC"]* means a written or electronic document recording information registered by an investor about an investment project.
7. *National information system on investment* means the professional information system for monitoring, assessing and analysing the status of nation-wide investment to serve the work of State administration and to support investors to conduct business investment activities.
8. *Investment contract in the form of a public private partnership* (hereinafter referred to as *PPP contract*) means any contract signed between a competent State agency and an investor or project enterprise to perform an investment project in accordance with article 27 of this Law.
9. *Business co-operation contract* (hereinafter referred to as *BCC contract*) means a signed contract between investors in order to co-operate in business and to share profit or products without establishing an economic organization.
10. *Export processing zone* means an industrial zone specialized in production of export goods and in provision of services for production of export goods and export activities.
11. *Industrial zone* means a zone which has defined geographical boundaries and which specializes in production of industrial goods and in provision of services for industrial production.
12. *Economic zone* means a zone which has defined geographical boundaries comprising various functional areas and which is established to implement the objectives of investment attraction, socioeconomic development and protection of national defence and security.
13. *Investor* means any organization or individual conducting business investment activities, including domestic investors, foreign investors and economic organizations with foreign investment capital.
14. *Foreign investor* means any individual with a foreign nationality or organization established in accordance with foreign law conducting business investment activities in Vietnam.
15. *Domestic investor* means any individual with Vietnamese nationality or any economic organization without a foreign investor being a member or shareholder.

16. *Economic organization* means an organization established and operating in accordance with the law of Vietnam, including enterprises, co-operatives and unions of co-operatives and other organizations conducting business investment activities.

17. *Economic organization with foreign investment capital* means an economic organization with a foreign investor being a member or shareholder.

18. *Investment capital* means money and other assets in order to conduct business investment activities

Article 4. Application of the law on investment, relevant laws and international treaties

1. Business investment activities in the territory of Vietnam must comply with this Law and other relevant laws.

2. If there is any discrepancy between the provisions of this Law and those of another law in relation to the industries and trades in which business investment is prohibited; industries and trades in which business investment is conditional; or sequence and procedures for investment, then the provisions of this Law shall prevail, except for sequence and procedures for business investment prescribed in the *Law on Securities*, the *Law on Credit Institutions*, the *Law on Insurance Business* and the *Law on Petroleum*.

3. Where an international treaty of which the Socialist Republic of Vietnam is a member contains provisions which conflict with the provisions of this Law, then such international treaty shall prevail.

4. With respect to contracts to which at least one party is a foreign investor or economic organization prescribed in article 23.1 of this Law, the parties may agree in the contract on the application of foreign laws or international investment practice if such agreement is not inconsistent with the law of Vietnam.

Article 5. Policy on business investment

1. Investors are entitled to conduct business investment activities in industries and trades which are not prohibited by this Law.

2. Investors are permitted to make at their discretion decisions on business investment activities in accordance with this Law and other relevant laws; to have access to and use credit funds and support funds and use land and other resources in accordance with law.

3. The State recognizes and protects the ownership of assets, investment capital and income and other lawful rights and interests of investors.

4. The State provides equal treatment between investors; has policies to encourage and creates favourable conditions for investors to conduct business investment activities, and sustainably develop economic industries.

5. The State respects and implements international treaties relating to business investment of which the Socialist Republic of Vietnam is a member.

Article 6. Industries and trades in which business investment is prohibited

1. The following business investment activities are prohibited:

(a) Business in drugs prescribed in Appendix 1 to this Law;

(b) Business in chemicals or minerals of types prescribed in Appendix 2 to this Law;

(c) Business in specimens of wild fauna or flora included in Schedule 1 of the Convention on International Trade in Endangered Species and specimens of species of endangered and rare wild fauna or flora in Category 1 with the natural origin as prescribed in Appendix 3 to this Law;

(d) Business in prostitution;

(dd) Purchase or sale of humans, tissues or parts of the human body;

(e) Activities relating to asexual reproduction;

2. Production or use of products prescribed in paragraphs (a), (b) and (c) of clause 1 of this article for analysis, testing, scientific research, medical care, production of pharmaceutical products, investigation of crimes, or protection of national defence and security shall be conducted in accordance with Government regulations.

Article 7. Industries and trades in which business investment is conditional

1. An industry or trade in which business investment is conditional means an industry or trade in which conduct of business investment activities must satisfy conditions for the reason of national defence or security, social order or safety, social ethics or the health of the community.

2. A list of industries and trades in which business investment is conditional is provided in Appendix 4 to this Law.

3. The business investment conditions applicable to the industries and trades prescribed in clause 2 of this article shall be stipulated in laws, ordinances, degrees and in international treaties of which the Socialist Republic of Vietnam is a member. Ministries, ministerial equivalent agencies, people's councils or people's committees at all levels, and other agencies, organizations and individuals shall not be permitted to promulgate any regulations on business investment conditions.

4. Business investment conditions must be stipulated consistent with the objectives prescribed in clause 1 of this article and must be public, transparent, objective and economic in terms of time and costs of compliance by investors.

5. Industries and trades in which business investment is conditional and business investment conditions applicable to such industries and trades shall be uploaded on the website on national registration of enterprises.

6. The Government shall provide detailed regulations on publication and control of business investment conditions.

Article 8. Amendment of and addition to industries and trades in which business investment is prohibited and list of industries and trades in which business investment is conditional

Based on the socio-economic conditions and requirements for State administration in each period, the Government shall review the industries and trades in which business investment is prohibited and the list of industries and trades in which business investment is conditional and submit amendments and additions to articles 6 and 7 of this Law to the National Assembly in accordance with the summary procedures.

CHAPTER II

Investment Guarantees

Article 9. Guarantees relating to ownership of assets

1. Lawful assets of investors shall not be nationalized nor confiscated by administrative measures.

2. Where the State acquires compulsorily or requisitions an asset of an investor for the reason of national defence and security, in the national interest, in emergency circumstances or for prevention of or fighting a natural calamity, such investor shall be compensated or paid in accordance with the law on compulsory acquisition and requisition of assets and other relevant laws.

Article 10. Guarantees relating to business investment activities

1. The State shall not force investors to perform the following requirements:

(a) To give priority to the purchase or use of domestic goods or services; or to purchase or use goods from a domestic producer or services from a domestic service provider;

(b) To export goods or services at a fixed percentage; to restrict the quantity, value or type of goods or services which may be exported or of goods which may be produced domestically or services which may be provided domestically;

(c) To import goods at the same quantity and value as goods exported, or to compulsorily selfbalance foreign currency from sources obtained from exported goods in order to satisfy their import requirements;

(d) To achieve localization ratios in goods domestically produced;

(dd) To achieve a stipulated level or value in their research and development activities in Vietnam;

(e) To supply goods or provide services in a particular location, whether in Vietnam or overseas;

(g) To establish the head office at a location upon request of the competent State agency.

2. Based on orientation for socio-economic development, the policy on foreign exchange control and the ability to balance foreign currency in each period, the Prime Minister of the Government shall make a decision ensuring satisfaction of requirements for foreign currency of investment projects which are subject to the authority of the National Assembly or of the Prime Minister of the Government to make a decision on the investment policy and other important investment projects for development of infrastructure.

Article 11. Guarantee relating to remittance of assets of foreign investors overseas

After a foreign investor has discharged fully its financial obligations to the State of Vietnam in accordance with law, it shall be permitted to remit overseas the following assets:

1. Invested capital and proceeds from liquidation of its investments;

2. Its income derived from business investment activities;

3. Other monies and assets lawfully owned by the investor.

Article 12. Guarantees of the Government for a number of important projects

1. The Prime Minister of the Government shall make the decision providing a guarantee for discharge of contractual obligations by a competent State agency or State enterprise participating in implementation of investment projects which are subject to the authority of the National Assembly or of the Prime Minister of the Government to make the decision on the investment policy and other important investment projects for development of infrastructure.

2. The Government shall provide detailed regulations on this article.

Article 13. Investment guarantees in event of changes in law

1. Where a new legal instrument which is promulgated provides greater investment incentives than those which the investor currently is enjoying, the investor is entitled to enjoy the investment incentives in accordance with the new legal instrument for the remaining duration in which the project is entitled to incentives.
2. Where a new legal instrument which is promulgated provides lower investment incentives than those which the investor has previously enjoyed, the investor shall continue to be entitled to the investment incentives in accordance with the previous regulations for the remaining duration in which the project is entitled to incentives.
3. The provisions of clause 2 of this article shall not apply in the case of change in the provisions of a legal instrument for the reason of national defence and security, social order and safety, social morals, the health of the community or environmental protection.
4. Where the investor is not permitted to continue to enjoy the investment incentives as prescribed in clause 3 of this article, [the investor] shall be considered for resolution by any one or more of the following measures:
 - (a) Deduct actual loss and damage suffered by the investor from taxable income;
 - (b) Change the operational objectives of the investment project;
 - (c) Support the investor to remedy loss and damage.
5. The measures of investment guarantees prescribed in clause 4 of this article shall only become effective if the investor so requests in writing in the period of three years from the effective date of the new legal instrument.

Article 14. Resolution of disputes in business investment activities

1. Any dispute relating to business investment activities in Vietnam shall be resolved through negotiation and conciliation. Where the negotiation or conciliation fails, the dispute shall be resolved by arbitration or a court in accordance with clauses 2, 3 and 4 of this article.
2. Any dispute between a domestic investor with an economic organization with foreign investment capital, or between a domestic investor or economic organization with foreign investment capital with a competent State agency relating to business investment activities in the territory of Vietnam shall be resolved by the Vietnamese arbitration body or a Vietnamese court, except for the cases prescribed in clause 3 of this article.
3. Any dispute between investors when at least one party is a foreign investor or economic organization with foreign owned capital prescribed in article 23.1 of this Law shall be resolved by one of the following bodies and organizations:
 - (a) Vietnamese court;

- (b) Vietnamese arbitration body;
- (c) Foreign arbitration body;
- (d) International arbitration body;
- (dd) Arbitration tribunal established in accordance with the agreement of the disputing parties.

4. Any dispute between a foreign investor and a competent State agency of Vietnam relating to business investment activities in the territory of Vietnam shall be resolved by an arbitration body or Vietnamese court, unless otherwise agreed under a contract or otherwise stipulated in international treaties of which the Socialist Republic of Vietnam is a member.

CHAPTER III

Investment Incentives and Support

SECTION 1

Investment Incentives

Article 15. Forms and objects for application of investment incentives

1. Forms of application of investment incentives [shall comprise]:

- (a) Application of a lower rate of corporate income tax than the normal tax rate for a definite period or for the whole duration of implementation of the investment project; and exemption from and reduction of corporate income tax;
- (b) Exemption from import duty in respect of goods imported to form fixed assets; raw materials, supplies and components for implementation of an investment project;
- (c) Exemption from and reduction of land rent, land use fees and land use tax.

2. Objects entitled to investment incentives:

- (a) Investment projects in the preferential investment industries and trades prescribed in article 16.1 of this Law;
- (b) Investment projects located in preferential investment geographical areas prescribed in article 16.2 of this Law;
- (c) Projects with a scale of capital being 6,000 billion Dong or more of which at least 6,000 billion Dong is disbursed for a period of three years from the date of issuance of the IRC or the date of the decision on the investment policy;

- (d) Investment projects located in rural areas and employing 500 employees or more;
- (dd) High-tech enterprises, and scientific and technological enterprises or organizations.

3. Investment incentives shall apply to new investment projects and expanded investment projects. Specific levels of incentives in respect of each type of investment incentives shall be applicable in accordance with the law on taxation and the law on land.

4. The investment incentives applicable to the objects prescribed in clause 2.(b), (c) and (d) of this article do not apply to investment projects for exploitation of minerals; or for production or business in goods or services subject to special sales tax stipulated by the *Law on Special Sales Tax*, except for manufacture of automobiles.

Article 16. Preferential investment industries, trades and geographical areas

1. Preferential investment industries and trades [comprise]:

(a) High-tech activities, industrial products which support high-tech; and research and development activities;

(b) Production of new materials, new energy, clean energy or renewable energy; production of products with an added value of 30% or more, and energy-saving products;

(c) Production of electronics, prioritized mechanical products, agricultural machinery, automobiles, automobile parts; and shipbuilding;

(d) Production of industrial products which support [production of] garments and textiles or leather products and the products prescribed in paragraph (c) of this clause.

(dd) Production of products of information technology, software and digital content [products];

(e) Breeding, growing and processing agricultural, forestry and aquaculture products; afforestation and protection of forests; salt production; fishing and fishing logistics, creation of plant and animal varieties and production of products of biological technology;

(g) Collection, processing, reprocessing or reuse of refuse;

(h) Investment in development and operation, and management of infrastructure facilities; and development of public transportation in urban areas;

(i) Pre-school education, general education, and vocational education;

(k) Medical consultation and treatment; production of medicines, raw materials for production of medicines, principal medicines, essential medicines and medicines for prevention and treatment of social diseases, vaccines, medical biological products, medicines from pharmaceutical

materials, oriental medicines; and scientific research in relation to technology of preparation or biological technology for production of new medicines;

(l) Investment in facilities for training and competition of sports or physical practice for disabled people or for professional sportsmen; and protection and promotion of the value of cultural heritage;

(m) Investment in centres for geriatrics, psychiatry or treatment of patients exposed to Agent Orange, and centres for care of the old, disabled, orphans or street children without support;

(n) People's credit funds, and micro-financial institutions.

2. Preferential investment geographical areas [comprise]:

(a) Areas with difficult socio-economic conditions; and areas with specially difficult socio-economic conditions;

(b) Industrial zones, export processing zones, high-tech zones and economic zones.

3. Based on the preferential investment industries and trades and geographical areas prescribed in clauses 1 and 2 of this article, the Government shall issue and make amendments and additions to the list of preferential investment industries and trades and the list of preferential investment geographical areas.

Article 17. Procedures for application of investment incentives

1. With respect to projects for which an IRC is issued, the investment registration agency shall record investment incentives, bases and conditions for application of the investment incentives in the IRC.

2. With respect to projects which do not require an IRC to be issued, investors are entitled to investment incentives without performance of the procedures for issuance of an IRC if they satisfy the conditions for entitlement to investment incentives. In this case, the investors shall, on the basis of conditions for entitlement to investment incentives prescribed in articles 15 and 16 of this Law and other relevant laws, themselves determine investment incentives and perform the procedures for entitlement to investment incentives at the tax authority, financial authority or customs office corresponding to each type of investment incentive.

Article 18. Expansion of investment incentives

Where it is necessary to encourage development of a specially important industry or a special economic – administrative unit, the Government shall submit investment incentives other than the investment incentives prescribed in this Law and other laws to the National Assembly for its decision on application.

SECTION 2

Investment Support

Article 19. Forms of investment support

1. Forms of investment support [comprise]:

(a) Support for development of systems of technical infrastructure and social infrastructure inside and outside the fence of projects;

(b) Support for training and development of human resources;

(c) Credit support;

(d) Support to have access to production or business sites, or to relocate production establishments from inner cities or towns;

(dd) Support for science, technology or technology transfer;

(e) Support for market development, and provision of information;

(g) Support for research and development.

2. The Government shall provide detailed regulations on forms of investment support prescribed in clause 1 of this article for small or medium-sized enterprises, high-tech enterprises, scientific and technical enterprises or organizations, enterprises investing in agriculture or rural areas, enterprises investing in education or dissemination of the laws and other entities in conformity with the orientation for socio-economic development in each period.

Article 20. Support for development of infrastructure systems in industrial zones, export processing zones, high-tech zones and economic zones

1. Based on the approved general master plan for development of industrial zones, export processing zones, high-tech zones and economic zones, ministries, ministerial equivalent agencies and people's committees of provinces and cities under central authority (hereinafter referred to as provincial people's committees) shall formulate a plan for investment and development and organize construction of technical and social infrastructure systems outside the fence of industrial zones, export processing zones, high-tech zones and functional sections of economic zones.

2. The State shall provide part of the investment capital for development from the budget and use preferential credit funds for synchronous development of technical and social infrastructure

systems inside and outside the fence of industrial zones in areas with difficult socio-economic conditions or with specially difficult socio-economic conditions.

3. The State shall provide part of the investment capital for development from the budget, use preferential credit funds, and apply other methods of raising capital in order to construct technical and social infrastructure systems in economic zones and high-tech zones.

Article 21. Development of residential housing, service facilities and public utilities for employees in industrial zones, high-tech zones and economic zones

1. Based on the general master plan for development of industrial zones, high-tech zones and economic zones approved by the authority, provincial people's committees shall formulate a master plan and arrange a land fund for development of residential housing, service facilities and public utilities for employees working in industrial zones, high-tech zones and economic zones.

2. With respect to localities which suffer difficulties in arranging a land fund for development of residential housing, service facilities and public utilities for employees working in the industrial zones, the competent State agency shall make a decision adjusting the master plan for industrial zones to reserve part of the land area for development of residential housing, service facilities and public utilities.

CHAPTER IV

Investment Activities in Vietnam

SECTION 1

Investment Forms

Article 22. Investment for establishment of economic organization

1. Investors may establish an economic organization in accordance with law. Before establishment of an economic organization, a foreign investor must have an investment project, carry out the procedures for issuance of an IRC in accordance with article 37 of this Law and satisfy the following conditions:

(a) Have the ratio of ownership of chapter capital prescribed in clause 3 of this article;

(b) Investment forms, scope of activities, Vietnamese party(ies) participating in implementation of investment activities and other conditions subject to international treaties of which the Socialist Republic of Vietnam is a member.

2. A foreign investor shall implement an investment project via an economic organization which is established in accordance with clause 1 of this article, except for investment in the form of

capital contribution or purchase of shares or portion of capital contribution or investment on the basis of a contract.

3. A foreign investor is permitted to own unlimitedly the chapter capital of an economic organization, except for the following cases:

(a) The ratio of ownership of foreign investors in listed companies, public companies, securities trading organizations and securities investment funds is subject to the law on securities;

(b) The ratio of ownership of foreign investors in State enterprises which conduct equitization or convert their ownership into another form is subject to the law on equitization and conversion of State enterprises;

(c) The ratio of ownership of foreign investors not covered by paragraphs (a) and (b) of this clause is subject to other relevant laws and international treaties of which the Socialist Republic of Vietnam is a member.

Article 23. Implementation of investment activities of economic organizations with foreign owned capital

1. An economic organization must satisfy the conditions and carry out investment procedures in accordance with regulations applicable to foreign investors upon investment for establishment of an economic organization; investment in the form of capital contribution or purchase of shares or portion of capital contribution to an economic organization; or investment on the basis of a BCC contract in any one of the following cases:

(a) 51% or more of its chapter capital is held by a foreign investor(s), or a partnership has a majority of partners being foreign individuals in respect of economic organizations being a partnership;

(b) 51% or more of its chapter capital is held by an economic organization(s) prescribed in paragraph (a) of this clause;

(c) 51% or more of its chapter capital is held by a foreign investor(s) and an economic organization(s) prescribed in paragraph (a) of this clause.

2. Economic organizations with foreign owned capital other than those prescribed in paragraphs (a), (b) and (c) of clause 1 of this article shall satisfy the conditions and carry out the investment procedures in accordance with regulations applicable to domestic investors upon investment for establishment of an economic organization; investment in the form of capital contribution or purchase of shares or portion of capital contribution to an economic organization; or investment on the basis of a BCC contract.

3. Any economic organization with foreign owned capital which has been established in Vietnam and has a new investment project may carry out the procedures for implementation of such investment project without being required to establish a new economic organization.

4. The Government shall provide detailed regulations on sequence and procedures for establishment of economic organizations for implementation of investment projects by foreign investors and economic organizations with foreign owned capital.

Article 24. Investment in the form of capital contribution or purchase of shares or portion of capital contribution to economic organizations

1. An investor has the right to make capital contribution or purchase shares or portion of capital contribution to an economic organization.

2. Any foreign investor which invests in the form of capital contribution or purchase of shares or portion of capital contribution to an economic organization shall implement same in accordance with articles 25 and 26 of this Law.

Article 25. Forms and conditions for capital contribution or purchase of shares or portion of capital contribution to economic organizations

1. A foreign investor may make capital contribution to an economic organization in the following forms:

(a) Purchase of shares on the initial public offering or of additional shares issued by shareholding companies;

(b) Capital contribution to limited liability companies or partnerships;

(c) Capital contribution to economic organizations other than those prescribed in paragraphs (a) and (b) of this clause.

2. A foreign investor may purchase shares or portion of capital contribution to an economic organization in the following forms:

(a) Purchase of shares in a shareholding company from such company or its shareholders;

(b) Purchase of a portion of capital contribution of members of a limited liability company to become a member of such limited liability company;

(c) Purchase of a portion of capital contribution of a capital contributing member of a partnership to become a capital contributing member of such partnership;

(d) Purchase of a portion of capital contribution of members of other economic organizations not covered by paragraphs (a), (b) and (c) of this clause.

3. The capital contribution or purchase of shares or portion of capital contribution by foreign investors in the forms prescribed in clauses 1 and 2 of this clause must satisfy the conditions prescribed in article 22.1(a) and (b) of this Law.

Article 26. Procedures for investment in the form of capital contribution or purchase of shares or portion of capital contribution

1. An investor shall carry out the procedures for registration of its capital contribution or of purchase of shares or portion of capital contribution to an economic organization in the following circumstances:

(a) The foreign investor makes capital contribution or purchases shares or portion of capital contribution to an economic organization which operates in the industries or trades in which business investment is conditional in respect of foreign investors;

(b) The capital contribution or purchase of shares or portion of capital contribution shall result in the fact that the foreign investor or economic organization prescribed in article 23.1 of this Law holds 51% or more of the charter capital of the economic organization.

2. The file for registration of capital contribution or purchase of shares or portion of capital contribution [shall comprise]:

(a) Written registration for capital contribution or purchase of shares or portion of capital contribution including the following items: information about the economic organization to which the foreign investor intends to make capital contribution or purchase shares or portion of capital contribution; and ratio of the charter capital to be owned by the foreign investor after making capital contribution or purchasing shares or portion of capital contribution to the economic organization;

(b) Copy of the people's identify card, ID card or passport in the case of investors being an individual; copy of the incorporation certificate or other equivalent document certifying the legal status in the case of investors being an organization.

3. Procedures for registration of capital contribution or purchase of shares or portion of capital contribution:

(a) An investor shall submit the file prescribed in clause 2 of this article to the department of planning and investment of the locality in which the head office of the economic organization is located;

(b) Where the capital contribution or purchase of shares or portion of capital contribution by the foreign investor satisfies the conditions prescribed in articles 22.1(a) and (b) of this Law, the department of planning and investment shall, within a period of fifteen (15) days from the date of receipt of the complete file, notify in writing the investor for the latter to carry out the procedures

for change of a shareholder or member in accordance with law. In the case of failure to satisfy the conditions, the department of planning and investment shall notify the investor in writing and specify the reason therefore.

4. Investors not within the cases prescribed in clause 1 of this article shall carry out the procedures for change of a shareholder or member in accordance with law upon capital contribution or purchase of shares or portion of capital contribution to the economic organization. Where there is a requirement for registration of the capital contribution or purchase of shares or portion of capital contribution to the economic organization, then the investor shall implement same in accordance with clause 3 of this article.

Article 27. Investment in the form of PPP contract

1. Investors or project enterprises shall sign a PPP contract with the competent State agency for implementation of an investment project for new construction, or renovation, upgrading, expansion, management and operation of infrastructure facilities or provision of public services.

2. The Government shall provide detailed regulations on sectors, conditions and procedures for implementation of investment projects in the form of a PPP contract.

Article 28. Investment in the form of business co-operation contract ["BCC contract"]

1. A BCC contract signed between domestic investors shall be performed in accordance with the civil law.

2. A BCC contract signed between a domestic investor and a foreign investor or foreign investors shall require the procedures for issuance of an IRC to be carried out in accordance with article 37 of this Law.

3. The parties to a BCC contract shall establish a co-ordinating board to perform the BCC contract. The functions, duties and powers of the co-ordinating board shall be agreed by the parties.

Article 29. Contents of BCC contract

1. A BCC contract must contain the following principal items:

(a) Names, addresses, and authorized representatives of the parties to the contract; and the transaction address or address of the location in which the project is to be implemented.

(b) Objectives and scope of business investment activities.

(c) Contributions by the parties to the contract, and distribution of business investment results between the parties.

(d) Schedule and duration of implementation of the contract.

(dd) Rights and obligations of the parties to the contract.

(e) Amendment, assignment and termination of the contract.

(g) Liability for breach of the contract and method of dispute resolution.

2. During performance of the BCC contract, the parties to the contract are entitled to use assets formed from business co-operation for establishment of an enterprise in accordance with the law on enterprises.

3. The parties to the BCC contract are entitled to agree on other items which are not contrary to law.

SECTION 2

Procedures for Decision on Investment Policies

Article 30. Authority of the National Assembly to make decision on investment policy

Except for the projects subject to the authority of the National Assembly to make the decision on the investment policy in accordance with the law on public investment, the National Assembly shall make the decision on the investment policy in respect of the following projects:

1. Projects with a great effect on the environment or with a potentially serious effect on the environment, including:

(a) Nuclear power plants;

(b) Conversion of the land use purpose of a national park, natural conservation zone, landscape protection zone, forest for scientific research or experiment of 50 hectares or more; upstream protective forest of 50 hectares or more; protective forest as windbreaker, shelter from flying sand or breakwater or for reclamation from the sea or for environmental protection with an area of 500 hectares or more; and forests for production with an area of 1,000 hectares or more;

2. Land use with a requirement for conversion of the land use purpose for wet rice cultivation on two harvests in an area of 500 hectares or more;

3. Relocation and resettlement of 20,000 people or more in mountainous areas or 50,000 people or more in other areas;

4. Projects which require application of a special mechanism or policy which should be decided by the National Assembly.

Article 31. Authority of the Prime Minister of the Government to make decision on investment policy

Except for the projects subject to the authority of the Prime Minister of the Government to make the decision on the investment policy in accordance with the law on public investment and the projects prescribed in article 30 of this Law, the Prime Minister of the Government shall make the decision on the investment policy in respect of the following projects:

1. Projects regardless of sources of capital in one of the following cases:

(a) Relocation and settlement of 10,000 people or more in mountainous areas and 20,000 people in other areas;

(b) Construction and commercial operation of airports; and air transportation;

(c) Construction and commercial operation of national seaports;

(d) Exploration, production and processing of petroleum;

(dd) Business of betting and casinos;

(e) Production of cigarettes;

(g) Development of infrastructure in industrial zones, export processing zones and functional areas in economic zones;

(h) Construction and commercial operation of golf courses.

2. Projects which are not in the cases prescribed in clause 1 of this article and have a scale of investment capital from 5,000 billion Dong or more.

3. Projects of foreign investors in the following sectors: business of sea transportation; business of telecommunications services with network infrastructure; afforestation; publication, press; and establishment of a scientific and technological organization or a scientific and technological enterprise with one hundred (100) per cent foreign owned capital.

4. Other projects subject to the authority of the Prime Minister of the Government to make the decision on the investment policy or to make an investment decision as stipulated by law.

Article 32. Authority of provincial people's committees to make decision on investment policy

1. Except for the projects subject to the authority of provincial people's committees to make the decision on the investment policy in accordance with the law on public investment and the projects prescribed in articles 30 and 31 of this Law, provincial people's committees shall make the decision on the investment policy in respect of the following projects:

(a) Projects to which the State allocates or leases out land without auction, tendering or transfer; and projects with a requirement for conversion of the land use purpose;

(b) Projects using technology in the list of technologies the transfer of which is restricted in accordance with the law on technology transfer.

2. The investment projects which are prescribed in clause 1(a) of this article and implemented in an industrial zone, export processing zone, high-tech zone or economic zone in conformity with the master plan approved by the authority shall not be required to be submitted to the provincial people's committee for its decision on the investment policy.

Article 33. File, sequence and procedures for decision on investment policy by provincial people's committees

1. An investment project file shall comprise:

(a) Written application for implementation of the investment project;

(b) Copy of the people's identity card, ID card or passport in the case of investors being an individual; copy of the incorporation certificate or other equivalent document certifying the legal status in the case of investors being an organization;

(c) Proposal for the investment project comprising the following items: investors implementing the project, investment objectives, investment scale, investment capital and method of raising capital, location, duration, investment schedule, need for labour, proposal for investment incentives, assessment of impact and socio-economic efficiency of the project;

(d) Copy of any one of the following documents: financial statements for the last two years of the investor; undertaking of the parent company to provide financial support; undertaking of a financial institution(s) to provide financial support; guarantee for the financial capability of the investor; or a document proving the financial capability of the investor;

(dd) Proposal for a need for land use; where the project does not require the State to allocate or lease out land or to permit conversion of the land use purpose, a copy of the site lease agreement or other document certifying that the investor has the right to use the site for implementation of the investment project shall be submitted;

(e) Explanatory statement on technology to be used in respect of the projects prescribed in article 32.1(b) of this Law, including the following items: name of technology, origin of technology, diagram of technological process; main technical specifications, condition of machinery, equipment and main technological line to be used;

(g) BCC contract in the case of investment projects in the form of a BCC contract.

2. An investor shall submit the file prescribed in clause 1 of this article to the investment registration agency.

The investment registration agency must, within a time-limit of thirty three (35) days from the date of receipt of the investment project file, notify the investor of a result.

3. The investment registration agency shall, within a time-limit of three working days from the date of receipt of the complete investment project file, forward the file to the State agencies relating to the items prescribed in clause 6 of this article to ask for their opinions on appraisal.

4. The agency which is asked for an opinion shall, within a time-limit of fifteen (15) days from the date of receipt of the investment project file, provide its opinion on appraisal of the items under its State management to the investment registration agency.

5. The administrative agency for land shall be responsible to provide extracts of a map; and the administrative agency for zoning shall provide information on zoning in order to provide a basis for appraisal in accordance with this article within a time-limit of five working days from the date of receipt of the request of the investment registration agency.

6. The investment registration agency shall, within a time-limit of twenty five (25) days from the date of receipt of the investment project file, prepare an appraisal report for submission to the provincial people's committee. The items of the appraisal report shall comprise:

(a) Information about the project including: information about the investor, objectives, scale, location, implementation schedule of the project;

(b) Evaluation of satisfaction of investment conditions in respect of foreign investors (if any);

(c) Evaluation of conformity of the investment project with the general master plan for socioeconomic development, the master plan for development of an industry and zoning for land use; and evaluation of impact and socio-technical efficiency of the project;

(d) Evaluation of investment incentives and conditions for entitlement to investment incentives (if any);

(dd) Evaluation of legal bases for the right of the investor to use the investment site. Where there is a proposal for land allocation, land lease or permission for conversion of the land use purpose, the appraisal of the need for land use, conditions for land allocation, land lease or permission for conversion of the land use purpose shall be conducted in accordance with the law on land;

(e) Evaluation of technology to be used in the investment project in respect of the projects prescribed in article 32.1(b) of this Law.

7. The provincial people's committee shall, within a time-limit of seven working days from the date of receipt of the file and appraisal report, make a decision on the investment policy or, in the case of refusal, notify in writing and specify the reason therefor.

8. Items of the decision on the investment policy made by the provincial people's committee shall comprise:

(a) Investor implementing the project;

(b) Name, objectives, scale, and investment capital of the project, and duration of implementation of the project;

(c) Location of implementation of the investment project;

(d) Implementation schedule of the investment project; schedule of capital contribution and raising sources of capital; schedule of capital construction and commissioning of works (if any); implementation schedule of each phase with respect to projects to be implemented in various phases;

(dd) Technology to be applied:

(e) Incentives or investment support and conditions for application thereof (if any);

(g) Effective period of the decision on the investment policy.

9. The Government shall provide detailed regulations on files and procedures for appraisal of investment projects for which provincial people's committees make a decision on the investment policy.

Article 34. File, sequence and procedures for decision on investment policy by the Prime Minister of the Government

1. An investor shall submit the investment project file to the investment registration agency of the locality in which the project shall be implemented. The file shall comprise:

(a) Documents prescribed in article 33.1 of this Law;

(b) Plan for site clearance, relocation and settlement (if any);

(c) Preliminary evaluation of environmental impact and solutions for environmental protection;

(d) Evaluation of impact and socio-economic efficiency of the investment project.

2. The investment registration agency shall, within a time-limit of three working days from the date of receipt of the complete investment project file prescribed in clause 1 of this article,

forward the file to the Ministry of Planning and Investment and send the file to the State agencies relating to the items prescribed in article 33.6 of this Law to ask for their opinions.

3. An agency which is asked for an opinion shall, within a time-limit of fifteen (15) days from the date of receipt of the file for its opinion, provide its opinion on the items under its State management to the investment registration agency and the Ministry of Planning and Investment.

4. The investment registration agency shall, within a time-limit of twenty five (25) days from the date of receipt of the investment project file, submit [such file] to the provincial people's committee for consideration and provide its opinion on appraisal of the investment project file to the Ministry of Planning and Investment.

5. The Ministry of Planning and Investment shall, within a time-limit of fifteen (15) days from the date of receipt of the document prescribed in clause 4 of this article, organize appraisal of the investment project file and prepare an appraisal report comprising the items prescribed in article 33.6 of this Law and submit such report to the Prime Minister of the Government for his decision on the investment policy.

6. The Prime Minister of the Government shall consider and make a decision on the investment policy, including the items prescribed in article 33.8 of this Law.

7. The Government shall provide detailed regulations on files, sequence and procedures for appraisal of investment projects for which the Prime Minister of the Government makes the decision on the investment policy.

Article 35. File, sequence and procedures for decision on investment policy by the National Assembly

1. An investor shall submit the investment project file to the investment registration agency of the locality in which the project shall be implemented. The file shall comprise:

- (a) Documents prescribed in article 33.1 of this Law;
- (b) Plan for site clearance, relocation and settlement (if any);
- (c) Preliminary evaluation of environmental impact and solutions for environmental protection;
- (d) Evaluation of impact and socio-economic efficiency of the project.
- (dd) Proposal for a special mechanism or policy (if any).

2. The investment registration agency shall, within a time-limit of three working days from the date of receipt of the complete investment project file, forward the investment project file to the Ministry of Planning and Investment for the latter to report to the Prime Minister of the Government for establishment of a State appraisal council.

3. The State appraisal council shall, within a time-limit of ninety (90) days from the date of its establishment, organize appraisal of the investment project file and prepare an appraisal report including the items prescribed in article 33.6 of this Law for submission to the Government.

4. No later than sixty (60) days before the opening date of a session of the National Assembly, the Government shall send the file for decision on the investment policy to the agency of the National Assembly presiding over verification.

5. The file for decision on the investment policy shall comprise:

(a) Submission of the Government.

(b) Investment project file prescribed in clause 1 of this article.

(c) Appraisal report of the State appraisal council.

(d) Other relevant documents.

6. Content of verification:

(a) Satisfaction of criteria for determining whether or not a project is subject to the authority of the National Assembly to make the decision on the investment policy;

(b) Necessity for implementing the project;

(c) Conformity of the project with the strategy or general master plan for socio-economic development, and the master plan for development of an industry or sector and zoning for use of land or other resources;

(d) Objectives, scale, location, duration, implementation schedule of the project, need for land use, plan for site clearance, relocation and resettlement, options for selection of the main technology, and solution for environmental protection;

(dd) Investment capital and method of raising capital;

(e) Impact and socio-economic efficiency;

(g) Special mechanism or policy; incentives, investment support and conditions for application thereof (if any).

7. The Government and relevant agencies, organizations or individuals are responsible to provide fully information and documents serving verification; and explain issues in the content of the project upon request of the agency of the National Assembly presiding over verification.

8. The National Assembly shall consider and pass a resolution on investment policy, including the following items:

- (a) Investor implementing the project;
 - (b) Name, objectives, scale, and investment capital of the project, schedule of capital contribution and raising sources of capital, and duration of implementation of the project;
 - (c) Location of implementation of the investment project;
 - (d) Implementation schedule of the investment project; schedule of capital construction and commissioning of works (if any); schedule of realization of operational objectives or main works of the project; in the case of projects to be implemented in various phases, the objective, duration and content of operations of each phase must be specified;
 - (dd) Technology to be applied;
 - (e) Special mechanism or policy; incentives, investment support and conditions for application thereof (if any);
 - (g) Effective period of the resolution on the investment policy.
9. The Government shall provide detailed regulations on files, sequence and procedures for appraisal of investment projects files by the State appraisal council.

SECTION 3

Procedures for Issuance, Amendment and Revocation of IRC

Article 36. Cases in which procedures for issuance of IRC are carried out

1. The cases which require the procedures for issuance of an IRC to be carried out [shall comprise:]
- (a) Investment projects of foreign investors;
 - (b) Investment projects of economic organizations prescribed in article 23.1 of this Law.
2. The cases which do not require the procedures for issuance of an IRC to be carried out [shall comprise:]
- (a) Investment projects of domestic investors;
 - (b) Investment projects of economic organizations prescribed in article 23.2 of this Law;
 - (c) Investment in the form of capital contribution or purchase of shares or portion of capital contribution to an economic organization.

3. With respect to investment projects prescribed in articles 30, 31 and 32 of this Law, the domestic investors and economic organizations prescribed in article 23.2 of this Law shall implement the investment project after a decision on the investment policy is made.

4. Where there is a need for an IRC to be issued for an investment project prescribed in clauses 2(a) and (b) of this article, the investor shall carry out the procedures for issuance of an IRC prescribed in article 37 of this Law.

Article 37. Procedures for issuance of IRC

1. With respect to investment projects in the category which requires a decision on the investment policy prescribed in articles 30, 31 and 32 of this Law, the investment registration agency shall issue an IRC to the investor within a time-limit of five working days from the date of receipt of the written decision on the investment policy.

2. With respect to investment projects in the category which do not require a decision on the investment policy prescribed in articles 30, 31 and 32 of this Law, investors shall carry out the procedures for issuance of an IRC in accordance with the following provisions:

(a) Investors shall submit the file prescribed in article 33.1 of this Law to the investment registration agency;

(b) The investment registration agency shall, within a time-limit of fifteen (15) days from the date of receipt of the complete file, issue an IRC; or in the case of refusal, notify the investor in writing and specify the reason therefor.

Article 38. Authority to issue, amend and revoke IRC

1. Industrial zone, export processing zone, high-tech zone or economic zone management boards shall receive [application files for issuance of an IRC] and issue, amend and revoke IRCs in respect of investment projects in industrial zones, export processing zones, high-tech zones and economic zones.

2. Departments of planning and investment shall receive [application files for issuance of an IRC] and issue, amend and revoke IRCs in respect of investment projects outside industrial zones, export processing zones, high-tech zones and economic zones, except for the cases prescribed in clause 3 of this article.

3. The department of planning and investment of the locality in which the head office or operating office of the investor is located or proposed to be located for implementation of the investment project shall receive [an application file for issuance of an IRC] and issue, amend and revoke IRCs in respect of the following investment projects:

(a) Investment projects which are implemented in locations of various [more than one] provinces and/or cities under central authority;

(b) Investment projects which are implemented both inside and outside industrial zones, export processing zones, high-tech zones and economic zones.

Article 39. Content of IRC

1. Investment project code;
2. Name and address of the investor;
3. Name of the investment project;
4. Location of implementation of the investment project; and land area to be used;
5. Objectives and scale of the investment project;
6. Investment capital of the project (comprising capital contribution of the investor and loans), schedule of capital contribution, and raising sources of capital;
7. Operational duration of the project;
8. Schedule of implementation of the investment project; schedule of capital construction and commissioning of the works (if any); schedule of realization of operational objectives and main works of the project, and in the case of projects to be implemented in various phases, the objective, duration and content of operations in each phase must be specified;
9. Incentives or investment support and bases or conditions for application thereof (if any);
10. Conditions applicable to the investor implementing the project (if any).

Article 40. Amendment of IRC

1. When there is a requirement for amendment of an IRC, an investor shall carry out the procedures for amendment of the IRC.
2. The file for amendment of an IRC shall comprise:
 - (a) Written application for amendment of an IRC;
 - (b) Report on the status of implementation of the investment project up to the date of the application for amendment of the investment project;
 - (c) Decision on amendment of the investment project of the investor;
 - (d) Documents prescribed in paragraphs (b), (c), (d), (dd) and (e) of clause 1 of article 33 of this Law relating to the items to be amended.

3. The investment registration agency shall, within a time-limit of ten (10) working days from the date of receipt of the complete file prescribed in clause 1 of this article, amend the IRC; or in the case of refusal to amend the IRC, notify the investor in writing and specify the reason therefor.

4. With respect to projects in the category which require a decision on the investment policy, when an amendment to an investment project relates to the objectives, investment location, main technology, increase or reduction of investment capital by more than ten (10) per cent of the total investment capital, duration of implementation, change of an investor or change of the conditions applicable to the investor (if any), then the investment registration agency shall carry out the procedures for decision on the investment policy before amendment of the IRC.

5. Where the proposal of the investor for amendments to the content of the IRC results in its investment project falling within the category which requires a decision on the investment policy, the investment registration agency shall carry out the procedures for decision on the investment policy before amendment of the IRC.

Article 41. Revocation of IRC

1. The investment registration agency shall make the decision revoking an IRC in the case where the operation of the investment project is terminated in accordance with article 48.1 of this Law.

2. The Government shall provide detailed regulations on sequence and procedures for revocation of IRCs.

SECTION 4

Implementation of Investment Projects

Article 42. Security for implementation of investment project

1. An investor must provide an escrow deposit as the security for performance of the project for which the State allocates or leases out land or permits conversion of the land use right.

2. The rate of escrow deposit as the security for performance of the project shall be one (1) per cent to three (3) per cent of investment capital of the project subject to [based on] the scale, nature and implementation schedule of each specific project.

3. The escrow deposit as the security for performance of the investment project shall be returned to the investor in accordance with the implementation schedule of the investment project, except for the cases in which the return is not permitted.

4. The Government shall provide detailed regulations on this article.

Article 43. Operational duration of investment projects

1. The operational duration of an investment project in an economic zone shall not exceed seventy (70) years.
2. The operational duration of an investment project outside economic zones shall not exceed fifty (50) years. The duration of investment projects implemented in areas with specially difficult socioeconomic conditions or of projects with great investment capital but capital recovery is slow may be longer but shall not exceed seventy (70) years.
3. With respect to investment projects to which the State allocates or leases out the land, but the handover of the land to the investor is late, the time for which the State is late in handover of the land to the investor shall be excluded from the operational duration of the investment project.

Article 44. Inspection of machinery, equipment and technological line

1. Investors are responsible to ensure the quality of machinery, equipment and technological lines for implementation of an investment project in accordance with law.
2. Where necessary, to ensure State management of science and technology or provide a basis for tax assessment, the competent State administrative agency shall require independent inspection of the quality and value of machinery, equipment and technological line.

Article 45. Assignment of investment projects

1. An investor is entitled to assign all or part of the investment project to another investor upon satisfaction of the following conditions:
 - (a) It is not one of the cases in which the operation [of the investment line project] is terminated in accordance with article 48.1 of this Law;
 - (b) Satisfaction of investment conditions applicable to foreign investors in the case of the foreign investor to whom the investment project in the industries or trades in which investment is conditional in respect of foreign investors is assigned;
 - (c) Compliance with the conditions prescribed in the law on land or the law on real estate business in the case of the assignment of a project attached to the assignment of land use rights;
 - (d) Conditions prescribed in the IRC or in accordance with other relevant laws (if any);
2. In the case of transfer of a project in the category which requires an IRC to be issued, the investor shall submit the file prescribed in article 33.1 of this Law accompanied by the investment project transfer contract in order to amend the investor implementing the project.

Article 46. Postponement of investment schedule

1. With respect to projects for which an IRC is issued or the decision on the investment policy is made, an investor must propose in writing to the investment registration agency any postponement of the schedule of realisation of investment capital, the schedule of construction and commissioning of main works (if any); or the schedule of realization of operational objectives of the investment project.

2. The contents of the proposal for postponement of a schedule [shall comprise]:

(a) Status of operation of the investment project and performance of the financial obligations to the State from the date of issuance of the IRC or the decision on the investment policy to the date of postponement of the schedule;

(b) Explanatory statement on the reason for and the period of postponement of the implementation schedule of the project.

(c) Plan for resuming implementation of the project including a plan for capital contribution, schedule of capital construction and commissioning of the project;

(d) Undertaking of the investor to resume implementation of the project.

3. The aggregate periods of postponement of the investment schedule shall not exceed twenty four (24) months. In the case of force majeure, the time taken to remedy the consequences of the force majeure event shall be excluded from the period of postponement of the investment schedule.

4. The investment registration agency shall, within a time-limit of fifteen (15) days from the date of receipt of the proposal, provide its opinion in writing on postponement of the investment schedule.

Article 47. Temporary suspension or suspension of operation of investment project

1. An investor which temporarily suspends the operation of its investment project must notify in writing the investment registration agency. In the case of temporary suspension of the operation of an investment project due to force majeure, the investor shall be exempt from land rent during the period of temporary suspension of the operation in order to remedy the consequences caused by the force majeure event.

2. The State administrative agency for investment shall make a decision suspending all or part of the operation of an investment project in the following circumstances:

(a) To protect monuments, heritage, antiques or national precious objects in accordance with the *Law on Cultural Heritage*;

(b) To remedy an environmental offence upon request of the State administrative agency for environment;

(c) To take measures to ensure labour safety upon request of the State administrative agency for labour;

(d) Under the decision or judgement of a court or arbitration body;

(dd) The investor fails to correctly implement the content of the IRC and has been dealt with for an administrative offence but continues to commit the offence.

3. The Prime Minister of the Government shall make a decision suspending all or part of the operation of an investment project in the case where the implementation of the investment project is at risk of affecting the national security upon request of the Ministry of Planning and Investment.

Article 48. Termination of operation of investment project

1. The operation of an investment project shall be terminated in the following cases:

(a) Where the investor makes the decision terminating the operation of the project;

(b) On the conditions for termination of operation prescribed in the contract or the charter of the enterprise;

(c) Upon expiry of the operational duration of the investment project.

(d) The investment project is one of the cases prescribed in articles 47.2 and 47.3 of this Law but the investor is unable to remedy the conditions for suspension of operation;

(dd) The State resumes the land for implementation of the investment project or the investor no longer is permitted to use the investment site and fails to carry out the procedures for change of the investment site within a time-limit of six months from the date on which the decision resuming the land is made or the time [the investor] is no longer permitted to use the investment site;

(e) The operation of the investment project is suspended and the investment registration agency is unable to contact the investor or its lawful representative within twelve (12) months from the date of suspension of operation.

(g) The investor fails to implement or is unable to implement the project in accordance with the schedule registered with the investment registration agency within twelve (12) months and the project is not a case in which the implementation schedule of the investment project may be postponed in accordance with article 46 of this Law;

(h) Under an adjustment or decision of a court or an arbitration [body]

2. The investment registration agency shall make a decision terminating the operation of the investment project in the cases prescribed in paragraphs (d), (dd), (e), (g) and (h) of clause 1 of this article.
3. The investor shall itself liquidate the investment project in accordance with the law on liquidation of assets upon termination of operation of the investment project.
4. Where the State resumes the land and the investor itself fails to liquidate the assets attached to the land within a period of twelve (12) months from the date of resumption of the land except for the case of extension [of such period], the agency making the decision on land resumption shall organize liquidation of the assets attached to the land.

Article 49. Establishment of operating office of foreign investor to BCC contract

1. A foreign investor to a BCC contract may establish an operating office in Vietnam to implement the contract. The foreign investor to the BCC contract shall decide the location of its operating office depending on requirements for implementing the contract.
2. The operating office of a foreign investor to the BCC contract shall have a seal, may open accounts, recruit employees, sign contracts and conduct business activities within the scope of the rights and obligations stipulated in the BCC contract and the registration certificate for establishment of an operating office.
3. The foreign investor to the BCC contract shall submit a registration file for establishment of an operating office to the investment registration agency of the locality in which the proposed operating office shall be located.
4. The registration file for establishment of an operating office [shall comprise]:
 - (a) Written registration for establishment of an operating office containing the following items: the name and address of the representative office (if any) of the foreign investor to the BCC contract in Vietnam; the name and address of the operating office; content, duration and scope of activities of the operating office; full name, residence, and [the number of] the people's identity card, ID card or passport of the head of the operating office.
 - (b) The decision of the foreign investor to the BCC contract on establishment of an operating office;
 - (c) A copy of the decision on appointment of the head of the operating office;
 - (d) Copy of the BCC contract.
5. The investment registration agency shall, within a time-limit of fifteen (15) days from the date of receipt of the file prescribed in clause 4 of this article, issue an operation registration certificate of an operating office to the foreign investor to the BCC contract.

Article 50. Termination of operation of operating office of foreign investor to BCC contract

1. A foreign investor shall, within a time-limit of seven working days from the date of the decision on termination of the operation of the operating office, send the file for notification to the investment registration agency of the locality at which the operating office is located.
2. The file for notification of termination of the operation of an operating office [shall comprise]:
 - (a) The decision on termination of the operation of the operating office in the case of early termination of the operation of the operating office;
 - (b) A list of creditors and amount of debts which have been paid;
 - (c) A list of the employees and their interests which have been resolved;
 - (d) The certification of the tax authority on completion of obligations in relation to taxes;
 - (dd) The certification of the social security agency on completion of obligations in relation to social insurance;
 - (e) The certification of the public security authority on destruction of the seal;
 - (g) The operation registration certificate of the operating office;
 - (h) A copy of the IRC;
 - (i) A copy of the BCC contract.
3. The investment registration agency shall, within a time-limit of fifteen (15) days from the date of receipt of the complete file, make a decision revoking the operation registration certificate of the operating office.

CHAPTER V

Offshore Investment Activities

SECTION 1

General Provisions

Article 51. Principles for implementation of offshore investment activities

1. The State encourages investors to conduct offshore investment activities in order to exploit, to develop and expand the market; to increase the export potential for goods and services, to earn

foreign currency, to have access to modern technology, to improve the ability of management and provide additional resources to socio-economic development of the country.

2. Investors conducting offshore investment activities must comply with this Law, other relevant laws, the law of the investment recipient country or territory (hereinafter referred to as the investment recipient country) and international treaties of which the Socialist Republic of Vietnam is a member; and shall themselves be responsible for the efficiency of offshore investment activities.

Article 52. Offshore investment forms

1. Investors shall conduct offshore investment activities in the following forms:

(a) Establishment of an economic organization in accordance with the law of the investment recipient country;

(b) Performance of an offshore BCC contract;

(c) Purchase of all or part of the charter capital of an offshore economic organization to participate in management and conduct business investment activities in a foreign country;

(d) Purchase or sale of securities or other valuable papers or investment via securities investment funds or other intermediate financial institutions in a foreign country;

(dd) Other investment forms in accordance with the law of the investment recipient country.

2. The Government shall provide detailed regulations on implementation of the investment forms prescribed in clause 1(d) of this article.

Article 53. Capital sources for offshore investment

1. The investor is responsible for making capital contribution and raising other sources of capital to conduct offshore investment activities. Borrowings of capital in foreign currency or transfer of investment capital in foreign currency must comply with the conditions and procedures stipulated in the law on banking, on credit institutions or on control of foreign exchange.

2. Based on the objectives of the monetary policy and the policy on control of foreign exchange in each period, the State Bank shall provide regulations on provision of loans in foreign currency by credit institutions or foreign bank branches in Vietnam to investors as prescribed in clause 1 of this article for carrying out offshore investment activities.

SECTION 2

Procedures for Decision on Offshore Investment Policy

Article 54. Authority to make decision on offshore investment policy

1. The National Assembly shall make the decision on the offshore investment policy in respect of the following projects:

- (a) Projects with offshore investment capital of 20,000 billion Dong or more;
- (b) Projects which require application of a special mechanism or policy which should be decided by the National Assembly.

2. Except for the cases prescribed in clause 1 of this article, the Prime Minister of the Government shall make the decision on the offshore investment policy in respect of the following projects.

- (a) Projects in the banking, insurance, securities, press, broadcasting, television or telecommunications sector having offshore investment capital of 400 billion Dong or more;
- (b) Investment projects not covered by paragraph (a) of this clause and having offshore investment capital of 800 billion Dong or more.

Article 55. File, sequence and procedures for decisions on offshore investment policy by the Prime Minister of the Government

1. An investor shall submit an investment project file to the Ministry of Planning and Investment. The file shall comprise:

- (a) Written registration for offshore investment;
- (b) Copy of the people's identity card, ID card or passport in the case of investors being an individual; copy of the incorporation certificate or other equivalent document certifying the legal status in the case of investors being an organization;
- (c) Proposal for the investment project comprising the following items: objectives, scale, form and investment location, preliminary calculation of investment capital, method of raising capital, structure of sources of capital; implementation schedule of the project, investment phases (if any); preliminary analysis of investment efficiency of the project;
- (d) Copy of any one of the following documents proving the financial capability of the investor: financial statements for the last two years of the investor; undertaking of the parent company to provide financial support; undertaking of a financial institution(s) to provide financial support; guarantee for the financial capability of the investor; or other documents proving the financial capability of the investor;
- (dd) Undertaking to balance itself sources of foreign currency or written undertaking of an authorized credit institution to arrange foreign currency for the investor;

(e) Decision on offshore investment as prescribed in articles 57.1 and 57.2 of this Law;

(g) With respect to offshore investment projects in the banking, securities, insurance or science and technology sector, the investor shall submit a written approval of the competent State agency regarding satisfaction of the conditions for offshore investment in accordance with the *Law on Credit Institutions*, the *Law on Securities*, the *Law on Science and Technology* or the *Law on Insurance Business*.

2. The Ministry of Planning and Investment shall, within a time-limit of three working days from the date of receipt of the investment project file, forward the file to the relevant State agencies to ask for their opinions on appraisal.

3. The agency which is asked for an opinion shall provide its opinion on appraisal of the items under its authority for management within a time-limit of fifteen (15) days from the date of receipt of the investment project file.

4. The Ministry of Planning and Investment shall, within a time-limit of thirty (30) days from the date of receipt of the investment project file, organize appraisal and prepare an appraisal report for submission to the Prime Minister of the Government. The appraisal report shall contain the following items:

(a) Conditions for issuance of an offshore IRC prescribed in article 58 of this Law;

(b) Legal status of the investor;

(c) Necessity for implementation of offshore investment activities;

(d) Conformity of the project with article 51.1 of this Law;

(dd) Basic items of the projects: scale, investment form and location, duration, implementation schedule of the project, investment capital and sources of capital;

(e) Evaluation of level of risks in the investment recipient country.

5. The Prime Minister of the Government shall consider and make the decision on the offshore investment policy, comprising the following items:

(a) Investor implementing the project;

(b) Objectives and location of investment;

(c) Investment capital, sources of investment capital; schedule of capital contribution or raising of capital and schedule of implementation of offshore investment activities;

(d) Incentives and investment support (if any);

Article 56. File, sequence and procedures for decision on offshore investment policy by the National Assembly

1. An investor shall submit the investment project file prescribed in article 55.1 of this Law to the Ministry of Planning and Investment.
2. The Ministry of Planning and Investment shall, within a time-limit of five working days from the date of receipt of the complete investment project file, report to the Prime Minister of the Government for establishment of a State appraisal council.
3. The State appraisal council shall, within a time-limit of ninety (90) days from the date of establishment, organize appraisal and prepare an appraisal report, containing the items prescribed in article 55.4 of this Law.
4. No later than sixty (60) days before the opening date of a session of the National Assembly, the Government shall send the file for decision on the offshore investment policy to the agency of the National Assembly presiding over verification. The file shall comprise:
 - (a) Submission of the Government;
 - (b) Investment project file prescribed in article 55.1 of this Law;
 - (c) Appraisal report of the State appraisal council;
 - (d) Other relevant documents.
5. The National Assembly shall consider and pass a resolution on the offshore investment policy containing the items prescribed in article 55.5 of this Law.

SECTION 3

Procedures for Issuance, Amendment and Termination of Effectiveness of Offshore IRC

Article 57. Authority to make offshore investment decision

1. The authority of investors being State enterprises to make the offshore investment decision shall be subject to the law on management and use of State capital invested in production and business of enterprises.
2. Offshore investment activities not covered by clause 1 of this article shall be decided by the investor in accordance with this Law, the *Law on Enterprises* and other relevant laws.

3. The investor and the agency acting as the representative of the owner in an enterprise prescribed in clauses 1 and 2 of this article shall be responsible for the offshore investment decision.

Article 58. Conditions for issuance of offshore IRC

1. The offshore investment activities conform with the principles prescribed in article 51 of this Law.
2. The offshore investment activities are not in the industries or trades in which business investment is prohibited as prescribed in article 6 of this Law.
3. The investor makes an undertaking to itself arrange for foreign currency or obtains an undertaking to arrange for foreign currency from an authorized credit institution for implementation of the offshore investment activities; where the amount of capital in foreign currency to be transferred abroad is equivalent to 20 billion Dong or more and is not in the category of the projects prescribed in article 54 of this Law, the Ministry of Planning and Investment shall obtain an written opinion of the State Bank of Vietnam.
4. There is the offshore investment decision prescribed in articles 57.1 and 57.2 of this Law.
5. There is a written certification of the tax authority of performance of tax obligations by the investor up to the date of submission of the investment project file.

Article 59. Procedures for issuance of offshore IRC

1. With respect to projects in the category which requires the decision on the offshore investment policy, the Ministry of Planning and Investment shall issue an offshore IRC to the investor within a time-limit of five working days from the date of receipt of the written decision on the investment policy.
2. With respect to projects not in the cases prescribed in clause 1 of this article, an investor shall submit the application file for issuance of an IRC to the Ministry of Planning and Investment. The file shall comprise:
 - (a) Written registration for offshore investment;
 - (b) Copy of the people's identity card, ID card or passport in the case of investors being an individual; copy of the incorporation certificate or other equivalent document certifying the legal status in the case of investors being an organization;
 - (c) Offshore investment decision prescribed in articles 57.1 and 57.2 of this Law;

(d) Written undertaking to itself balance foreign currency or written undertaking to balance foreign currency from an authorized credit institution for the investor prescribed in article 58.3 of this Law;

(dd) With respect to offshore investment projects in the banking, securities, insurance or science and technology sector, the investor shall submit a written approval of the competent State agency regarding satisfaction of the conditions for offshore investment in accordance with the *Law on Credit Institutions*, the *Law on Securities*, the *Law on Science and Technology* or the *Law on Insurance Business*.

3. The Ministry of Planning and Investment shall, within a time-limit of fifteen (15) days from the date of receipt of the file prescribed in clause 1 of this article, issue an offshore IRC. Where [the Ministry of Planning and Investment] refuses to issue an offshore IRC, it must notify the investor in writing and specify the reason therefor.

4. The Government shall provide detailed regulations on procedures for appraisal of offshore investment projects; for issuance, amendment and termination of effectiveness of offshore IRCs.

Article 60. Content of offshore IRC

1. Investment project code.

2. Name and address of the investor.

3. Name of the investment project.

4. Objectives and location of investment.

5. Investment capital, sources of investment capital; schedule of capital contribution and raising of capital and implementation schedule of offshore investment activities.

6. Rights and obligations of the investor.

7. Incentives and investment support (if any).

Article 61. Amendment of offshore IRC

1. When there is a requirement for a change to the content of the offshore investment project relating to the investor implementing the project, investment location, objectives, scale, investment capital, sources of investment capital, investment schedule, investment incentives, or use of profit for implementation of an offshore investment project, an investor shall submit a file for amendment of the offshore IRC to the Ministry of Planning and Investment.

2. The file for amendment of an offshore IRC shall comprise:

(a) Written application for amendment of the offshore IRC;

(b) Copy of the people's identity card, ID card or passport in the case of investors being an individual; copy of the incorporation certificate or other equivalent document certifying the legal status in the case of investors being an organization;

(c) Report on the status of implementation of the investment project up to the date of submission of the file for amendment of the offshore IRC;

(d) Decision on amendment of the offshore investment project of the agency, organization or individual as prescribed in articles 57.1 and 57.2 of this Law;

(dd) Copy of the offshore IRC;

(e) Written certification of the tax authority of performance of tax obligations up to the date of submission of the file in the case of amendment for increase in offshore investment capital.

3. The Ministry of Planning and Investment shall amend the offshore IRC within a time-limit of fifteen (15) days from the date of receipt of the complete file prescribed in clause 2 of this article.

4. With respect to projects in the category which requires the decision on the offshore investment policy, when amending the items prescribed in clause 1 of this article, the Ministry of Planning and Investment shall carry out the procedures for decision on the offshore investment policy before amendment of the offshore IRC.

5. Where the proposal of the investor for amendment of the content of the offshore IRC results in its project falling within the category which requires the decision on the offshore investment policy, the Ministry of Planning and Investment shall carry out the procedures for decision on the offshore investment policy before amendment of the offshore IRC.

Article 62. Termination of offshore investment projects

1. The operation of an offshore investment project shall be terminated in the following circumstances:

(a) The investor makes the decision terminating the operation of the project;

(b) Upon expiry of the operational duration of the investment project.

(c) On the conditions for termination of operation prescribed in the contract or the charter of the enterprise;

(d) The investor transfers all offshore investment capital to a foreign investor;

(dd) The investment project is not approved by the investment recipient country within a time-limit of twelve (12) months from the date of issuance of the offshore IRC or the investment

project is unable to commence within a time-limit of twelve (12) months from the date on which the competent agency of the investment recipient country approves the investment project;

(e) The investor fails to implement or is unable to implement the project in accordance with the schedule registered with the State administrative agency within a time-limit of twelve (12) months from the date of issuance of the IRC and fails to carry out the procedures for amendment of the investment schedule;

(g) The investor fails to report in writing on the status of operation of the investment project within a time-limit of twelve (12) months from the date on which there is a report on tax finalization or a document of equivalent validity prescribed by the law of the investment recipient country;

(h) The offshore economic organization is dissolved or [declared] bankrupt in accordance with the law of the investment recipient country;

(i) Under an adjustment or decision of a court or an arbitration body.

2. The Ministry of Planning and Investment shall make a decision terminating the effectiveness of the offshore IRC in the cases prescribed in clause 1 of this article.

SECTION 3

Implementation of Offshore Investment Activities

Article 63. Opening of capital account for offshore investment

Transactions for remittance of money overseas from Vietnam and into Vietnam relating to offshore investment activities must be conducted through a separate capital account opened at an authorized credit institution in Vietnam and must be registered at the State Bank of Vietnam in accordance with the law on control of foreign exchange.

Article 64. Remittance of investment capital overseas

1. Investors are permitted to remit overseas investment capital in order to conduct investment activities upon satisfaction of the following conditions:

(a) They have been issued with an offshore IRC, except for the cases prescribed in clause 3 of this article;

(b) Their investment activities have been approved or licensed by the competent agency of the investment recipient country. Where the law of the investment recipient country does not regulate issuance of an investment licence or investment approval, the investor must have a document proving the right to conduct investment activities in the investment recipient country;

(c) They have a capital account prescribed in article 63 of this Law.

2. Any remittance of investment capital overseas must comply with the law on control of foreign exchange, export or technology transfer and other relevant laws.

3. Investors are permitted to remit overseas foreign currency or goods, machinery and equipment to serve the market survey, research and exploration activities and conduct other investment preparation activities in accordance with Government regulations.

Article 65. Repatriation of profit

1. Except for the case of use of profit for offshore investment in accordance with article 66 of this Law, an investor must, within a period of six (6) months from the date on which there is the tax finalization or a document of equivalent validity prescribed by the law of the investment recipient country, repatriate all profit received and other income earned from the offshore investment.

2. In the case of failure to repatriate profit and other income within the period stipulated in clause 1 of this article, the investor must report in writing to the Ministry of Planning and Investment and the State Bank of Vietnam. An extension of the period for repatriation of profit shall be granted on no more than two occasions and each extension shall not exceed six months and must be approved in writing by the Ministry of Planning and Investment.

Article 66. Use of profit for offshore investment

1. Investors using profit earned from offshore investment activities to increase capital, or expand offshore investment activities must carry out procedures for amendment of their offshore IRCs and report to the State Bank of Vietnam.

2. In the case of use of profit earned from an offshore investment project to implement another offshore investment project, the investor must carry out procedures for issuance of an offshore IRC for such investment project and register a capital account and schedule of remittance of investment capital in money with the State Bank of Vietnam.

CHAPTER VI

State Administration of Investment

Article 67. Contents of State administration of investment

1. Promulgation and dissemination of legal instruments on investment; and organizing the implementation thereof.

2. Formulation of strategies, master plans, plans and policies on investment in Vietnam and investment from Vietnam to overseas countries and organising the implementation thereof.
3. Compilation of the status of investment and evaluation of impact and macro-economic efficiency of investment activities.
4. Formulation, management and operation of a national information system on investment.
5. Issuance, amendment and revocation of IRCs and offshore IRCs and decisions on investment policy or the offshore investment policy in accordance with this Law.
6. State administration of industrial zones, export processing zones, high-tech zones and economic zones.
7. Organization and implementation of investment promotion activities.
8. Checks, inspection and supervision of investment activities, management and co-ordination of management of investment activities;
9. Guidance, support and resolution of problems and demands of investment in relation to implementation of investment activities; resolution of complaints and denunciations; grant of rewards; dealing with breaches in investment activities.
10. Negotiation and execution of international treaties relating to investment activities.

Article 68. Responsibilities for State administration of investment

1. The Government shall exercise uniform State administration of investment activities in Vietnam and investment from Vietnam to overseas countries.
2. The Ministry of Planning and Investment shall assist the Government to exercise uniform State administration of investment in Vietnam and investment from Vietnam to overseas countries:
3. The Ministry of Planning and Investment has the following responsibilities and powers:
 - (a) To submit strategies, master plans, plan and policies on investment in Vietnam and investment from Vietnam to overseas countries to the Government or the Prime Minister of the Government for his approval;
 - (b) To promulgate legal instruments in relation to investment in Vietnam and investment from Vietnam to overseas countries or submit those to the competent agency for promulgation.
 - (c) To promulgate forms for performance of procedures for investment in Vietnam and investment from Vietnam to overseas countries.

- (d) To guide, disseminate and organize implementation, supervise, inspect and evaluate implementation of legal instruments in relation to investment;
- (dd) To compile, evaluate and report the status of investment in Vietnam and investment from Vietnam to overseas countries;
- (e) To form, manage and operate a national information system on investment;
- (g) To preside over and co-ordinate with relevant agencies to supervise, to evaluate and inspect investment activities in Vietnam and investment from Vietnam to overseas countries;
- (h) To submit investment projects for which [an IRC] has been issued or amended improperly in terms of the authority or illegally to the authority for its decision on suspension of the implementation thereof;
- (i) To undertake State administration of industrial zones, export processing zones and economic zones;
- (k) To undertake State administration of investment promotion and co-ordinate investment promotion activities in Vietnam and overseas countries.
- (l) To negotiate and sign international treaties relating to investment activities;
- (m) To perform other duties and powers in relation to management of investment activities as assigned by the Government and by the Prime Minister of the Government.

4. Ministries and ministerial equivalent agencies have the following responsibilities and powers:

- (a) To co-ordinate with the Ministry of Planning and Investment, ministries and ministerial equivalent agencies to draft laws or policies relating to investment activities;
- (b) To preside over and co-ordinate with ministries and ministerial equivalent agencies to draft and promulgate laws, policies and standards and technical regulations and guide the implementation thereof;
- (c) To submit investment conditions in respect of the industries and trades prescribed in article 7 of this Law to the Government for issuance;
- (d) To preside over and co-ordinate with the Ministry of Planning and Investment to formulate master plans, plans and lists of projects for attraction of investment capital in their respective industries; and organize campaigns and specialized investment promotion;
- (dd) To participate in appraisal of investment projects in the category which requires a decision on the investment policy in accordance with this Law;

(e) To supervise, evaluate and carry out specialised inspection of satisfaction of investment conditions and undertake State administration of investment projects under their authority;

(g) To preside over and co-ordinate with provincial people's committees, ministries and ministerial equivalent agencies to resolve difficulties and problems of investment projects under their State administration; and provide guidelines on delegation of powers and authorization to industrial zone, export processing zone, high-tech zone and economic zone management boards to perform the task of State management in industrial zones, export processing zones, high-tech zones and economic zones;

(h) To periodically evaluate socio-economic efficiency of investment projects under their State administration and send [the result thereof] to the Ministry of Planning and Investment;

(i) To maintain and update the information system for investment management in respect of their assigned sector and integrate [their information system] into the national information system on investment;

5. Provincial people's committees, departments of planning and investment and industrial zone, export processing zone, high-tech zone or economic zone management boards have the following responsibilities and powers:

(a) To co-ordinate with ministries and ministerial equivalent agencies to prepare and publish a list of projects for attraction of investment in their locality;

(b) To preside over performance of procedures for issuance, amendment and revocation of IRCs;

(c) To perform the function of State administration in respect of investment projects under their authority;

(d) To resolve difficulties and problems of investors within their authority; or submit those to the authority for resolution;

(dd) To periodically evaluate efficiency of investment activities in their locality and report [the result thereof] to the Ministry of Planning and Investment.

(e) To maintain and update the national information system on investment in respect of their assigned sector;

(g) To direct organization, supervision and evaluation of implementation of the investment reporting regime;

6. Overseas representative offices of Vietnam shall be responsible to monitor and support investment activities of Vietnam and protect the lawful rights and benefits of Vietnamese investors in investment recipient countries.

Article 69. Supervision and assessment of investment

1. Investment supervision and assessment activities shall comprise:

- (a) Supervision and assessment of investment projects;
- (b) General investment supervision and assessment.

2. Responsibility for investment supervision and assessment:

- (a) The National Assembly and people's councils at levels shall exercise the right to supervise investment in accordance with law;
- (b) State administrative agencies for investment and specialized State administrative agencies shall conduct the general investment supervision and assessment and the supervision and assessment of investment projects under their management;
- (c) The investment registration agency shall conduct supervision and assessment of investment projects subject to its authority to issue IRCs;
- (d) Vietnam Fatherland Front at all levels shall, depending on its duties and powers, arrange investment supervision by the community;

3. Contents of supervision and assessment of investment projects:

- (a) With respect to projects using State capital for business investment, the State administrative agency for investment or the specialized State administrative agency shall conduct supervision and evaluation of the projects as per the content and criteria which have been approved in the investment decision;
- (b) With respect to projects using other sources of capital, the State administrative agency for investment or the specialized State administrative agency shall conduct supervision and evaluation of the objectives and conformity of the projects with the master plan and investment policy approved by the authority, the investment schedule and the implementation of the requirements for environmental protection, land use and use of other resources in accordance with law;
- (c) The investment registration agency shall conduct supervision and assessment of the items prescribed in the IRC or the written decision on the investment policy.

4. The contents of general investment supervision and assessment:

- (a) Promulgation of legal instruments providing detailed regulations and guidelines for implementation thereof and implementation of the law on investment;
- (b) Status of implementation of investment projects;

(c) Evaluation of results of nation-wide investment implementation by ministries, ministerial equivalent agencies and local authorities; and of investment projects in accordance with delegated powers;

(d) Recommendation to the State administrative agency at the same level and the higher-level State administrative agency for investment on the results of investment assessment and measures for dealing with problems and breaches of the law on investment.

5. Agencies and organizations conducting assessment shall conduct themselves or hire an eligible expert or consultant with full capability to conduct assessment.

6. The Government shall provide detailed regulations on this article.

Article 70. National information system on investment

1. The national information system on investment shall comprise:

(a) National information system on domestic investment;

(b) National information system on foreign investment in Vietnam and investment from Vietnam to overseas countries.

2. The Ministry of Planning and Investment shall preside over and co-ordinate with the relevant agencies to build and operate the national information system on investment; and evaluate the operation of the system by State administrative agencies for investment at the central and local levels.

3. State administrative agencies for investment and investors are responsible to fully and accurately update in a timely manner relevant information into the national information system on investment.

4. Information about investment projects archived in the national information system on investment shall be valid as the original information about such investment projects.

Article 71. Regime of reporting investment activities in Vietnam

1. Entities implementing the reporting regime:

(a) Ministries, ministerial equivalent agencies, provincial people's committees;

(b) The investment registration agency;

(c) Investors and economic organizations implementing investment projects in accordance with this Law.

2. The periodical reporting regime:

(a) Investors and economic organizations implementing investment projects shall report on a monthly, quarterly and annual basis to the investment registration agency and statistic agency of their respective locality the status of implementation of the investment project, including the following items: realized investment capital, results of business investment activities, information about labour, payment to the State budget, investment in research and development, dealing with and protection of the environment and specialized norms depending on their operational sector;

(b) The investment registration agencies shall report on a monthly, quarterly and annual basis to the Ministry of Planning and Investment and provincial people's committees the status of receipt [of application files for issuance of an IRC], issuance, amendment and revocation of IRCs and the status of operation of investment projects under their management;

(c) Provincial people's committees shall compile and report the status of investment in their locality to the Ministry of Planning and Investment on a quarterly and annual basis;

(d) Ministries and ministerial equivalent agencies shall report on a quarterly and annual basis the status of issuance, amendment and revocation of IRCs or papers of equivalent validity under their management (if any) to; and report investment activities relating to their management to the Ministry of Planning and Investment for compilation and report to the Prime Minister of the Government;

(dd) The Ministry of Planning and Investment shall report the status of nation-wide investment and evaluation of the status of implementation of investment reporting regime by the agencies prescribed in clause 1 of this article to the Prime Minister of the Government on a quarterly and annual basis.

3. Agencies, investors and economic organizations shall provide reports in writing via the national information system on investment.

4. The agencies, investors and economic organizations prescribed in clause 1 of this article shall provide extraordinary reports upon request of the competent State agency.

5. With respect to projects not in the category which require an IRC to be issued, the investors shall report to the investment registration agency before commencement of implementation of the investment project.

Article 72. Regime of reporting in relation to offshore investment activities

1. Entities implementing the reporting regime:

(a) Ministries, ministerial equivalent agencies, provincial people's committees;

(b) Registration agency for offshore investment;

(c) Investors implementing investment projects in accordance with this Law.

2. Reporting regime by ministries, ministerial equivalent agencies and provincial people's committees:

(a) Ministries, ministerial equivalent agencies and provincial people's committees shall send on a semi-annual and annual basis periodical reports on status of State administration of offshore investment activities depending on their respective functions and duties to the Ministry of Planning and Investment for compilation and reporting to the Prime Minister of the Government;

(b) The Ministry of Planning and Investment shall submit on a semi-annual and annual basis periodical reports on the status of nation-wide investment and on the status of implementation of the reporting regime on the status of management of offshore investment activities by agencies, organizations and individuals prescribed in clause 1 of this article to the Prime Minister of the Government.

3. Reporting regime by investors:

(a) Within a time-limit of sixty (60) days from the date on which the investment project is approved or licensed in accordance with the law of the investment recipient country, the investor must notify in writing the implementation of the offshore investment activities accompanied by a copy of the written approval of the investment project or a document proving the right to carry out investment activities in the investment recipient country to the Ministry of Planning and Investment, the State Bank of Vietnam, and the representative office of Vietnam in the investment recipient country;

(b) The investor shall send periodical reports on the status of operation of the investment project on a quarterly and annual basis to the Ministry of Planning and Investment, the State Bank of Vietnam, the representative office of Vietnam in the investment recipient country;

(c) Within a time-limit of six months from the date on which there is the tax finalization report or a document of equivalent validity prescribed by the law of the investment recipient country, the investor shall send a report on the status of operation of the investment project accompanied by the financial statements, the tax finalization report or a document of equivalent validity prescribed by the law of the investment recipient country to the Ministry of Planning and Investment, the State Bank of Vietnam, the Ministry of Finance, the representative office of Vietnam in the investment recipient country and the competent State administrative agency in accordance with this Law and other relevant laws;

(d) With respect to offshore investment projects using State capital, in addition to implementation of the reporting regime prescribed in paragraphs (a), (b) and (c) of this clause, the investor must implement the investment reporting regime in accordance with the law on management and use of State capital for production and business in enterprises.

4. The reports prescribed in clauses 2 and 3 of this article shall be made in writing via the national information system on investment.

5. The agencies, organizations and investors prescribed in clause 1 of this article shall submit extraordinary reports upon request of the competent State agency when there is a requirement relating to the work of State administration or issues arising in relation to an investment project.

CHAPTER VII

Implementation

Article 73. Dealing with breaches

1. Any organization or individual in breach of this Law shall, depending on the nature and seriousness of the breach, be subject to disciplinary action, penalty for administrative offence or prosecution for criminal liability; and shall compensate for loss and damage in accordance with law.

2. Any person abusing his/her position or power to hinder business investment activities, to cause trouble for bribery or burdening investors or failing to discharge his/her mission in accordance with law, shall, depending on the nature and seriousness of the breach, be subject to disciplinary action or prosecution for criminal liability.

Article 74. Transitional provisions

1. Investors issued with an investment license or investment certificate before the effective date of this Law may implement their investment projects in accordance with the issued investment license or investment certificate. Where there is a requirement, the investment registration agency shall issue a replacement IRC to the investor.

2. Investors who implemented investment projects before the effective date of this Law and who are in the category which requires an IRC to be issued or a decision on the investment policy to be made in accordance with this Law, shall not be required to carry out procedures for issuance of an IRC or decision on the investment policy. Where an investor has a requirement for issuance of an IRC, it shall carry out procedures in accordance with this Law.

3. The business investment conditions prescribed in legal instruments which have been promulgated before the effective date of this Law and are inconsistent with article 7.3 of this Law no longer have effect from 1 July 2016.

4. The Government shall provide detailed regulations on clauses 1 and 2 of this article.

Article 75. Amendments and additions to article 18.1 of the Law on High-tech 21-2008-QH12

Article 18.1 of the Law on High-tech is amended as follows:

"1. High-tech enterprises must satisfy all the following criteria:

(a) Production of high-tech products included in the list of high-tech products the development of which is encouraged as prescribed in article 6 of this Law;

(b) Application of environmental-friendly or energy-saving measures to production and control of the quality of products meeting the Vietnam standards and technical regulations; where no Vietnam standards or technical regulations are available, the standards of a specialized international organization shall apply;

(c) Other criteria stipulated by the Prime Minister of the Government".

Article 76. Effectiveness

1. This Law shall be of full force and effect as of 1 July 2015.

2. Law on Investment 59-2005-QH11 and Resolution 49/2010/QH12 of the National Assembly dated 19 June 2010 on projects and works of national importance to be submitted to the National Assembly for decision on the investment policy no longer have effect from the effective date of this Law.

3. The Government and competent agencies shall provide detailed regulations on articles or clauses assigned in the Law.

This Law was passed by Legislature XIII of the National Assembly of the Socialist Republic of Vietnam at its 8th Session on 26 November 2014.

Chairman of the National Assembly

NGUYEN SINH HUNG