

**MINISTRY OF FINANCE**

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No.: 32/2018/TT-BTC

**SOCIALIST REPUBLIC OF VIETNAM**

**Independence – Freedom – Happiness**

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*Hanoi, March 30, 2018*

**CIRCULAR**

**GUIDELINES FOR THE GOVERNMENT’S DECREE NO. 74/2017/ND-CP DATED JUNE 20, 2017 ON SPECIFIC POLICIES FOR HOA LAC HI-TECH PARK**

*Pursuant to the Law on non-agricultural land use levy in 2010;*

*Pursuant to the Law on corporate income tax in 2008, 2013 and 2014;*

*Pursuant to the Law on land in 2013;*

*Pursuant to the Law on investment in 2014;*

*Pursuant to the Law on import and export duties in 2016;*

*Pursuant to the Government’s Decree No. 80/2014/ND-CP dated August 06, 2014 on drainage and treatment of wastewater;*

*Pursuant to the Government's Decree No. 35/2017/ND-CP dated April 03, 2017 prescribing collection of land use levy, land rent and water surface rent in economic zones and hi-tech zones;*

*Pursuant to the Government's Decree No. 74/2017/ND-CP dated June 20, 2017 on specific policies for Hoa Lac Hi-Tech Park;*

*Pursuant to the Government’s Decree No. 87/2017/ND-CP dated July 26, 2017 defining functions, tasks, powers and organizational structure of Ministry of Finance;*

*At the request of the Director of the Department of Public Asset Management and the Director of the Tax Policy Department,*

*Minister of Finance promulgates a Circular providing guidelines for the Government's Decree No. 74/2017/ND-CP dated June 20, 2017 on specific policies for Hoa Lac Hi-Tech Park.*

**Chapter I**

**GENERAL PROVISIONS**

**Article 1. Scope**

This Circular provides guidelines on Clause 4, Clause 5 Article 4; Clause 3, Clause 4 Article 7; Article 8; Point c Clause 1 and Clause 4 Article 10; Article 11; Article 17; Article 18 and Article 19 of the Government's Decree No. 74/2017/ND-CP dated June 20, 2017 on specific policies for Hoa Lac Hi-Tech Park (hereinafter referred to as the “Decree No. 74/2017/ND-CP”).

## **Article 2. Regulated entities**

1. Domestic and foreign individuals and organizations investing in or working at Hoa Lac Hi-Tech Park (hereinafter referred to as “HHTP”).
2. The Management Board of Hoa Lac Hi-Tech Park (hereinafter referred to as “HHTP Management Board”).
3. Regulatory agencies and relevant specialized agencies.

## **Chapter II**

### **SPECIFIC PROVISIONS**

#### **Article 3. Site clearance and relocation**

The site clearance and relocation shall be performed under the provisions of Clause 4 and Clause 5 Article 4 of the Decree No. 74/2017/ND-CP and elaborated as follows:

1. The HHTP Management Board shall receive adequate funding for performing the site clearance works from the central-government state budget as prescribed in the medium-term investment plan during the 2016 – 2020 period, from the source of funding prescribed in Clause 2 hereof and other legal sources of funding so as to ensure the completion of site clearance works and construction of infrastructure facilities of HHTP according to the progress laid down in Clause 6 Article 3 of the Decree No. 74/2017/ND-CP.
2. Land levies paid by households that are allocated land in relocation areas and service land plots funded by the central-government state budget as prescribed in Clause 4 Article 4 of the Decree No. 74/2017/ND-CP shall be fully paid to the city-government state budget. Every year, the People's Committee of Hanoi City shall provide an amount of funding, equal to the total amount of land levies collected, to cover the site clearance expenses of HHTP on the basis of land levy figures aggregated and provided by the District-level People's Committee with the purpose of completing the site clearance for HHTP according to the project approved by the competent authority.
3. Statements of compensation, support and relocation projects implemented to serve the site clearance works of HHTP shall be carried out under the provisions of the Circular No. 09/2016/TT-BTC dated January 18, 2018 by the Ministry of Finance providing regulation on finalization of completed projects funded with State capital.

#### **Article 4. Management and operation of technical infrastructure facilities**

The management and operation of technical infrastructure facilities shall be performed under the provisions of Clause 3 and Clause 4 Article 7 of the Decree No. 74/2017/ND-CP and elaborated as follows:

1. Infrastructure facilities user fees:

a) Fees charged for using state-funded technical infrastructure facilities are collected under the provisions of Point a Clause 3 Article 7 of the Decree No. 74/2017/ND-CP.

The average fee for using infrastructure facilities of HHTP shall be determined by adopting the following formula:

$$\begin{array}{r} \text{Average infrastructure} \\ \text{facilities user fee} \\ \text{(VND/m}^2\text{/year)} \\ \\ = \end{array} \quad \begin{array}{r} \text{Total estimated operation cost per} \\ \text{year} \\ \\ \hline \text{Total land area planned for leasing} \end{array} + \begin{array}{r} \text{Total estimated} \\ \text{maintenance cost per} \\ \text{year} \end{array}$$

Where:

- Total estimated operation cost shall be determined by estimation provided that all infrastructure facilities under the planning have been completed and are put into official operation.

- Total estimated maintenance cost shall be determined by according to the annual maintenance plan under the provisions of Clause 2 Article 5 of the Circular No. 03/2017/TT-BXD dated March 16, 2017 by the Ministry of Construction providing guideline for determination of costs of maintenance of construction works (hereinafter referred to as the “Circular No. 03/2017/TT-BXD”).

- Total land area planned for leasing excludes the land area planned for construction of traffic and technical infrastructure systems, land area dedicated to green space, water surface land area, and shared park area which are exempted from payment of land rents under the provisions of Point a Clause 3 Article 8 of the Decree No. 74/2017/ND-CP and Point a Clause 2 Article 14 of the Government’s Decree No. 35/2017/ND-CP dated April 03, 2017 prescribing the collection of land use levy, land rent and water surface rent in economic zones and hi-tech zones (hereinafter referred to as the “Decree No. 35/2017/ND-CP”).

b) Based on the average fee for using infrastructure facilities of HHTP prescribed in Point a hereof, the status of infrastructure facilities and the actual ability to attract investments, the HHTP Management Board shall annually decide rates of fees for using infrastructure facilities of each functional area.

c) Total amount of fees paid for using infrastructure facilities by users equals the fee rate specified in Point b hereof multiplied by the land area.

2. Wastewater treatment service fees:

a) Fees charged for using wastewater treatment services of state-funded wastewater treatment systems are collected under the provisions of Point c Clause 3 Article 7 of the Decree No. 74/2017/ND-CP. The HHTP Management Board shall decide the rate of wastewater treatment service fee in the principle that the wastewater treatment service fees shall be associated with the service quality regardless of service users in conformity with the Government's policies and regulations with the aims of partially or fully covering the costs of operation and maintenance of wastewater treatment systems. Wastewater treatment service fees shall be determined according to the wastewater volume and contents of pollutants contained in the wastewater under the provisions of the Government's Decree No. 80/2014/ND-CP dated August 06, 2014 on drainage and treatment of wastewater. The wastewater treatment service fee rate shall be decided after obtaining written opinions from regulatory drainage agencies and price management agencies.

b) If contents of pollutants contained in the wastewater meet HHTP internal standards promulgated by HHTP Management Board, the rate of wastewater treatment service fee shall be determined by adopting the following formula:

$$\text{The wastewater treatment service fee rate (VND/m}^3\text{)} = \frac{\text{Total estimated cost of operation of the wastewater treatment system according to its design capacity per year} + \text{Total estimated maintenance cost per year}}{\text{Total design capacity of the wastewater treatment system (m}^3\text{/year)}}$$

Where:

- Total estimated cost of operation of the wastewater treatment system according to its design capacity shall be determined by estimation.

- Total estimated maintenance cost shall be determined by according to the annual maintenance plan under the provisions of Clause 2 Article 5 of the Circular No. 03/2017/TT-BXD.

- Total design capacity of the wastewater treatment system equals its design capacity (m<sup>3</sup>/day) multiplied by 365 days.

c) If contents of pollutants contained in the wastewater do not meet HHTP internal standards, the wastewater treatment service fee rate shall be the fee rate prescribed in Point b hereof plus a surcharge decided by the HHTP Management Board.

d) Total amount of fees paid by an entity for treatment of wastewater discharged to the wastewater treatment system equals the wastewater treatment service fee rate prescribed in Point b or Point c hereof multiplied by the volume of wastewater discharged.

3. Infrastructure facilities user fees and compensation for costs of site leveling of infrastructure facilities funded by investors as prescribed in Point c Clause 1 and Clause 4 Article 10 of the Decree No. 74/2017/ND-CP, except investment funded by state budget, shall be managed and

used by infrastructure investors in compliance with management regulations promulgated by the HHTP Management Board under the provisions of Clause 2 Article 15 of the Decree No. 74/2017/ND-CP.

4. Funding for covering the costs of operation and maintenance of technical infrastructure facilities and wastewater treatment systems invested by state budget shall be subject to the provisions of Clause 4 Article 7 of the Decree No. 74/2017/ND-CP. Subsidy granted by state budget to make up deficit shall be determined as follows:

a) The HHTP Management Board shall at the time of making the annual state budget estimate make the estimate of costs of operation and maintenance of state-invested technical infrastructure facilities and wastewater treatment systems, the statement of total revenue from infrastructure facilities user fees and wastewater treatment service fees paid by organizations and individuals operating in the HHTP according to the fee rates prescribed by the HHTP Management Board, and the budget deficit specified in the estimate of state budget expenditures of the HHTP Management Board, and then submit them to the Ministry of Finance for consolidation and reporting to competent authorities in conformity with the Law on state budget.

b) The statement of funding for covering the costs of operation and maintenance of state-invested technical infrastructure facilities and wastewater treatment systems shall be carried out under the provisions of the Law on state budget and applicable financial management policies. Ending a budget year, if the subsidy granted by state budget is greater than the difference between revenues and expenses, the remains thereof shall be paid to state budget as regulated by law.

c) Subsidy granted by state budget to make up any deficit shall be included in the recurrent expenditure based on the state budget's annual capacity.

5. The entities assigned by the HHTP Management Board to collect infrastructure facilities user fees and wastewater treatment service fees shall issue invoices thereof to payers and fulfill other tax liabilities as prescribed by law. Invoices for payments for using infrastructure facilities and wastewater treatment services shall be subject to law regulations on invoices.

#### **Article 5. Determination of land rents, compensation for site clearance and incentives given to users of land in the HHTP**

Determination of land rents, compensations for site clearance and incentives given to users of land in the HHTP shall be carried out under the provisions of Article 8 of the Decree No. 74/2017/ND-CP and elaborated as follows:

1. Specific land price for calculation of rents of land in the HHTP shall be determined by according to the land price adjustment coefficient and decided by the HHTP Management Board under the provisions of Clause 2 Article 8 of the Decree No. 74/2017/ND-CP. To be specific: The land price shall be the one determined according to the lease purpose as specified in the Table of prices of land types in the HHTP multiplied by the land price adjustment coefficient. Where:

a) The Table of prices of land types in the HHTP is promulgated by the People's Committee of Hanoi City on the basis of the approved planning and actual technical infrastructure status as laid down in Clause 1 Article 8 of the Decree No. 74/2017/ND-CP.

b) The land price adjustment coefficient shall be annually promulgated and publicly announced by the HHTP Management Board for each land area, route and location corresponding to the land use purpose according to the approved planning and the consent of the People's Committee of Hanoi City, provided that it shall not be lower than 1.0, and applied from January 01 every year.

## 2. Determination of land rent paid annually:

a) The land rent paid annually = the land rent per m<sup>2</sup> x the land area subject to land rent. Where:

- The land rent per m<sup>2</sup> shall be determined by multiplying a percentage (%) by the specific land price prescribed in Clause 2 Article 8 of the Decree No. 74/2017/ND-CP and guidelines in Clause 1 hereof. The percentage (%) shall be annually promulgated and publicly announced by the HHTP Management Board for each land area, route and location in conformity with each investment sector with the consent of the People's Committee of Hanoi City. The percentage as 1% shall be applied from January 01 every year. Particularly:

+ The percentage (%) of the land used for implementing projects on sectors with special investment incentives as prescribed by law is between 0.5% and 1%;

+ The percentage (%) of the land used for commercial and service providing purposes is between 1% and 3%.

- The area subject to land rent payment is the area of land leased with collecting land rent specified in the land lease decision.

b) In cases where the land rent is exempted in accordance with regulations in Clause 3 Article 8 of the Decree No. 74/2017/ND-CP or there are deductions from total land rent payable according to the method of conversion into the period of fulfillment of financial obligation to pay the land rent, the land rent payable shall be determined according to the land policy and price effective at the time of starting payment of land rent. Where:

- Deductions from total land rent payable includes compensations, relocation financial support and expenses for performing compensation and site clearance works (hereinafter referred to as the "compensation and site clearance expenses") which have been paid or voluntarily advanced by the land lessee.

- Land rent shall be calculated and paid as regulated by law upon the end of the period of enjoying exemption from the land rent payment and the period for which the financial obligation to pay the land rent is determined to be fully fulfilled because of deductions from the land rent payable in accordance with law. The land rent per m<sup>2</sup> may not be adjusted while enjoying

exemption from land rent and during the period for which the financial obligation to pay land rent is determined to be fully fulfilled;

- If the sum of the period of enjoying exemption from land rent as regulated by law and the period for which the financial obligation to pay the land rent is determined to be fully fulfilled because of deductions from the land rent payable is shorter than the length of time of the first stabilization cycle of land rent per m<sup>2</sup>s, the land rent per m<sup>2</sup> determined at the time of issuing Decision on land lease shall be applied to the calculation of land rent for the remaining length of time of that cycle;

- After deducting the period of enjoying exemption from land rent as regulated by law and the period for which the financial obligation to pay the land rent is determined to be fully fulfilled because of deductions from the land rent payable, if the remainder of the land lease is under 05 years and the lessee wishes to fully pay the land rent for that remaining lease period, this case shall be subject to the consideration and decision of the HHTP Management Board. In such case, the land price for calculation of land rent shall be determined according to the land policy and price at the time when the HHTP Management Board gives approval for the land lessee's request for full payment of land rent for remaining land lease period. The land lessee shall have all land-related rights and obligations as leasing land with annual land rent payment.

c) In case of lease of land with annual rent payment but the first leasing year or the final leasing year is not enough 12 months, the land rent shall be calculated and paid according to actual number of leasing months. If the first leasing month or the final leasing month shall be considered as a full leasing month if total leasing days in that month are 15 days or more. The land rent must not be paid if total leasing days in that month are less than 15 days;

d) The land rent per m<sup>2</sup> shall be kept unchanged for 05 years counting from the time the HHTP Management Board issues the land lease decision. Over this period, the HHTP Management Board may adjust the land rent per m<sup>2</sup> applicable for the following period according to the land policy and price effective at the time of adjustment.

### 3. Determination of the land rent paid at one time for the entire lease period:

a) The land rent paid at one time for the entire lease period = the land rent per m<sup>2</sup> x the land area subject to land rent payment. Where:

- In case the land lease period is equal to the period of the land category prescribed in the land price table, the land rent collected one-off for the entire land lease period equals the land price in the land price table multiplied by the land price adjustment coefficient.

- In case the land lease period is shorter than the period of the land category prescribed in the land price table:

$$\text{Land rent collected one-off for the entire land lease} = \frac{\text{Land price in the Table of land prices}}{\text{Period of the land category prescribed}} \times \text{Land price adjustment coefficient} \times \text{Land lease period}$$

period in the Table of land prices

- In case of exemption from land rent, the land rent collected one-off for the entire land lease period shall be determined by adopting the following formula:

$$\text{Land rent collected one-off for the entire land lease period} = \frac{\text{Land price in the Table of land prices}}{\text{Period of the land category prescribed in the Table of land prices}} \times \text{Land price adjustment coefficient} \times \text{Period for which land rent is payable}$$

Where: The period for which land rent is payable equals the land lease period specified in the land lease decision minus the period for which the land rent is exempted as regulated in Point a, Point c Clause 3 Article 8 of the Decree No. 74/2017/ND-CP.

- The area subject to land rent payment is the area of land leased with collecting land rent specified in the land lease decision.

b) Determination of land rent payable:

- If the compensation and site clearance amounts are not deducted: The land rent payable equals the land rent per m<sup>2</sup> for leasing land with one-off rent payment as prescribed in Point a hereof multiplied by the land area subject to land rent payment;

- If the compensation and site clearance amounts are deducted: The land rent payable shall be determined by subtracting the compensation and site clearance expenses as regulated by law from the product of the land rent per m<sup>2</sup> for leasing land with one-off rent payment and the area subject to land rent payment.

4. If other regulations on determination of land rent, water surface rent and settlement of compensation and site clearance amounts, and land rent exemption and reduction for land area in the hi-tech park are not provided for in the Decree No. 74/2017/ND-CP and this Circular, regulations of the Decree No. 35/2017/ND-CP and the Circular No. 89/2017/TT-BTC dated August 23, 2017 by the Ministry of Finance guiding the implementation of the Decree No. 35/2017/ND-CP.

#### **Article 6. Land management in functional areas infrastructure facilities of which are constructed and used for commercial purposes by investors**

Land management in functional areas infrastructure facilities of which are constructed and used for commercial purposes by investors shall be performed under the provisions of Clause 1 and Clause 4 Article 10 of the Decree No. 74/2017/ND-CP and elaborated as follows:

1. The HHTP Management Board shall directly deliver leasing land to infrastructure investors as prescribed in Point b Clause 1 Article 10 of the Decree No. 74/2017/ND-CP. Investors shall pay site leveling expenses and other costs to the infrastructure investor under the provisions of the Decree No. 74/2017/ND-CP, guidelines herein and relevant law regulations.



2. The HHTP Management Board shall consider giving approval for the infrastructure facilities user fees, payments for site leveling expenses and the unit price of land to be sublet by the infrastructure investor under the provisions of Clause 3 Article 10 of the Decree No. 74/2017/ND-CP at the request of the infrastructure investor as laid down in Clause 4 Article 10 of the Decree No. 74/2017/ND-CP, guidelines herein and relevant law regulations.

3. The HHTP Management Board shall, based on the infrastructure facilities user fees determined under the provisions of Article 7 of the Decree No. 74/2017/ND-CP and guidelines in Article 4 herein, the site leveling expenses specified in the cost statement approved as regulated by law and the land rent per m<sup>2</sup> determined under the provisions of Article 8 of the Decree No. 74/2017/ND-CP and guidelines in Article 5 herein, consider giving approval for the infrastructure facilities user fees, payments for site leveling expenses and the unit price of land to be sublet under the provisions of Article 10 of the Decree No. 74/2017/ND-CP.

### **Article 7. Tax incentives**

Tax incentives shall be provided under the provisions of Article 11 of the Decree No. 74/2017/ND-CP and elaborated as follows:

#### 1. Corporate income tax (CIT):

a) An enterprise that has income generated from the development of a new investment project in the HHTP is liable to the tax rate of 10% within 15 years, qualifies for a tax exemption within a maximum period of 04 years and gets 50% reduction in the amount of tax payable within 09 successive years in accordance with regulations in Clause 1 Article 13, Clause 1 Article 14 of the Law on corporate income tax.

b) An enterprise that has income generated from the development of a new investment project which has total investment of at least VND 4,000 billion in the HHTP is liable to the tax rate of 10% within 30 years, qualifies for a tax exemption within a maximum period of 04 years and gets 50% reduction in the amount of tax payable within 09 successive years from the first year in which it generates taxable income.

c) Periods for applying preferential tax rate, enjoying tax exemption and tax reduction, and eligibility requirements thereof as prescribed in the Law on corporate income tax and relevant laws.

2. Import duties, personal income tax and non-agricultural land use tax shall comply with applicable regulations of law on taxes.

### **Article 8. Collection, transfer and use of land rents, payments for compensation and site clearance expenses, infrastructure user fees, wastewater treatment service fees, and deposits paid for securing the project implementation**

Collection, transfer and use of land rents, payments for compensation and site clearance expenses, infrastructure user fees, wastewater treatment service fees, and deposits paid for

securing the project implementation shall be performed under the provisions of Article 17 of the Decree No. 74/2017/ND-CP and elaborated as follows:

1. The HHTP Management Board opens an account at the State Treasury's Operations Center to receive payments for compensation and site clearance expenses paid under the provisions of Point a Clause 1 Article 17 of the Decree No. 74/2017/ND-CP, deposits paid for securing the project implementation under the provisions of Clause 2 Article 9 of the Decree No. 74/2017/ND-CP, and quarterly pay total amount received to the central-government state budget. Before making an annual state budget estimate, the HHTP Management Board shall, based on the sum of money collected and paid to state budget every year, submit report thereof to the Ministry of Planning and Investment and the Ministry of Finance for requesting the Prime Minister to make decision on the plan for using such sum of money to cover site clearance expenses and make re-investments in HHTP.
2. The HHTP Management Board shall determine and give written notification of amounts of money payable to land users using the notification form enclosed with the Circular No. 77/2014/TT-BTC dated June 16, 2014 by the Ministry of Finance providing guidance on the Government's Decree No. 46/2014/ND-CP dated May 15, 2014 on land rents and water surface rents.
3. The HHTP Management Board and the People's Committee of Hanoi City shall establish the mechanism for cooperation in monitoring and managing the fulfillment of financial liabilities and land-related administrative procedures by land users in the HHTP.

### **Chapter III**

#### **IMPLEMENTATION PROVISIONS**

##### **Article 9. Transitional regulations on fulfillment of land-related financial liabilities by land users who receive land before the date of entry into force of the Decree No. 74/2017/ND-CP but do not yet pay land rents**

Transitional regulations on fulfillment of land-related financial liabilities by land users who receive land before the date of entry into force of the Decree No. 74/2017/ND-CP but do not yet pay land rents shall comply with the provisions of Article 18 of the Decree No. 74/2017/ND-CP and elaborated as follows:

1. If an investor has used land before the date of entry into force of the Decree No. 74/2017/ND-CP but does not receive the land lease decision and pay land rent under the provisions of Clause 1 Article 18 of the Decree No. 74/2017/ND-CP:
  - a) The HHTP Management Board shall determine the land rent, exemption and reduction thereof according to the land policy and price effective at the time of issuance of the land lease decision. Land rent exemption or reduction shall be enjoyed from the time when the investor receives land handover.

b) The investor that is eligible for enjoying land rent exemption and reduction but refuses to enjoy such incentives shall pay land rents as regulated.

2. If an infrastructure investor has land leased by the HHTP Management Board before the date of entry into force of the Decree No. 74/2017/ND-CP, has received a land use right certificate but does not yet pay land rent:

a) The HHTP Management Board shall determine the amount of land rent to be exempted or reduced according to the annual land rent per m<sup>2</sup> announced at the Official Document No. 2703/UBND-KT dated June 20, 2006 by the People's Committee of Ha Tay Province.

b) The late payment interest shall be calculated from the time of subleasing land to the time on which land rent is paid to state budget under the law regulations applicable in each period.

**Article 10. Transitional regulations on projects which use land in the expansion areas of the HHTP as regulated in the Decision No. 621/QD-TTg dated May 23, 2008 of the Prime Minister (southern part of Thang Long avenue and Eastern part of the HHTP in Ha Bang commune, Thach That District, Hanoi City)**

Transitional regulations on projects which use land in the expansion areas of the HHTP as regulated in the Decision No. 621/QD-TTg dated May 23, 2008 of the Prime Minister (southern part of Thang Long avenue and Eastern part of the HHTP in Ha Bang commune, Thach That District, Hanoi City) shall follow the provisions of Article 19 of the Decree No. 74/2017/ND-CP and elaborated as follows:

1. Investors of investment projects that are operating at the HHTP under the approval given by the People's Committee of Ha Tay Province before the date on which the Prime Minister gives approval for adjustments to the HHTP's general construction planning (i.e. May 23, 2008) shall continue enjoying incentives for the remaining period provided that such incentives specified in the investment certificate/ investment license/ certificate of investment incentives are conformable with law regulations applicable at the time of issuance of such documents.

2. If investors of investment projects (other than the ones specified in Clause 1 hereof) operating in the HHTP are enjoying investment incentives more favorable than the ones granted under the provisions of the Decree No. 74/2017/ND-CP, they are entitled to enjoying such incentives for the remaining period. If such incentives are less favorable than the ones granted under the provisions of the Decree No. 74/2017/ND-CP, they are entitled to enjoy incentives under the provisions of the Decree No. 74/2017/ND-CP for the remaining period from the date of entry into force of this Decree.

3. With regard to land areas which have been sub-leased by an infrastructure investor before the date of merging Bac Phu Cat Industrial Park into the HHTP and for which land rents are not paid by such infrastructure investor:

a) The HHTP Management Board shall determine the amounts of land rent to be exempted or reduced according to the annual land rent per m<sup>2</sup> announced at the Decision No. 896/QĐ-TC dated December 08, 2006 by the Financial Department of Ha Tay Province.

b) The late payment interest shall be calculated for the period from the time of subleasing land to the time on which land rent is paid to state budget under the law regulations applicable in each period.

4. With regard to land areas leased by the People's Committee of Ha Tay Province before the date on which the Prime Minister gives approval for adjustments to the general construction planning of the HHTP (i.e. May 23, 2008):

a) Determination of land rents for the land use period from the date of land handover to the end of 2016:

The People's Committee of Hanoi City shall request tax agencies to determine land rent amounts payable and the ones to be exempted or reduced on the basis of law regulations applicable in each period and the land lease decision/ investment certificate/ investment license/ certificate of investment incentives.

In case an investor has advanced the compensation and site clearance expenses according to the plan approved by a competent authority but this advanced amount is not yet deducted as regulated and recorded as production and business expenses, it shall be deducted from the land rent amount payable (in case of lease of land with one-off payment of land rent for the entire lease period), or converted into the period for which land rent has been paid (in case of lease of land with annual payment of land rent) according to the land policy and price effective at the time of land lease.

The People's Committee of Hanoi City shall instruct the financial agency to determine the compensation and site clearance amounts to be deducted and give notifications to investors and the HHTP Management Board of the land rent amounts payable (in case of lease of land with one-off payment of land rent for the entire lease period), or time of starting calculation of land rents (in case of lease of land with annual payment of land rent).

b) Determination of land rents for the land use period from January 01, 2017 onwards:

The HHTP Management Board shall determine and give notifications of land rents to land users based on the land price table, land price adjustment coefficient and percentage (%), and also send such notifications to tax agency and Hanoi City land registration office for monitoring and managing payment of land-related financial liabilities and fulfillment of administrative procedures thereof.

## **Article 11. Entry into force**

1. This Circular comes into force from May 15, 2018.

2. The issues that arise on and after the date of entry into force of the Decree No. 74/2017/ND-CP shall be settled in accordance with regulations of the Decree No. 74/2017/ND-CP and guidelines herein. If legislative documents on relevant amendments provide regulations contrary to the Decree No. 74/2014/ND-CP and this Circular, such regulations shall prevail.

3. Difficulties that arise during the implementation of this Circular should be promptly reported to the Ministry of Finance for consideration./.

**PP. MINISTER  
DEPUTY MINISTER**

**Huynh Quang Hai**

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