

# INVESTMENT PROCEDURES IN VIETNAM

## GENERAL INFORMATION OF MINH HUNG SIKICO INDUSTRIAL PARK



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## **PART I: SOME REGULATIONS ON FOREIGN ENTERPRISES INVESTING IN VIETNAM**

# 1. FDI PROJECT INVESTMENT PROCESS TO INDUSTRIAL PARKS IN VIETNAM



## 2. POPULAR TAXES DURING BUSINESS PROCESS IN VIETNAM

### VAT

0%

- Machinery and equipment which cannot be produced domestically must be imported for direct use in scientific research and technological development activities.
- Imported raw materials for the production and processing of exported goods.
- Goods and services are traded between foreign countries and non-tariff zones and among non-tariff zones.
- Goods are in transit, temporarily imported for re-export.
- Other goods and services are not subject to VAT of the Law on Value Added Tax.

5%

- Medical equipment and tools, medical tampons, medicine for prevention and treatment of diseases.
- Chemical and pharmaceutical products, medicinal materials are raw materials for the production of curative and preventive drugs.
- Some recommended goods and services.

10%

- Applied to goods and services not subject to the tax rates of 0% and 5%.

*\* Detailed regulations on the cases with applied VAT rates, please scan QR code to see details (QR code image)*

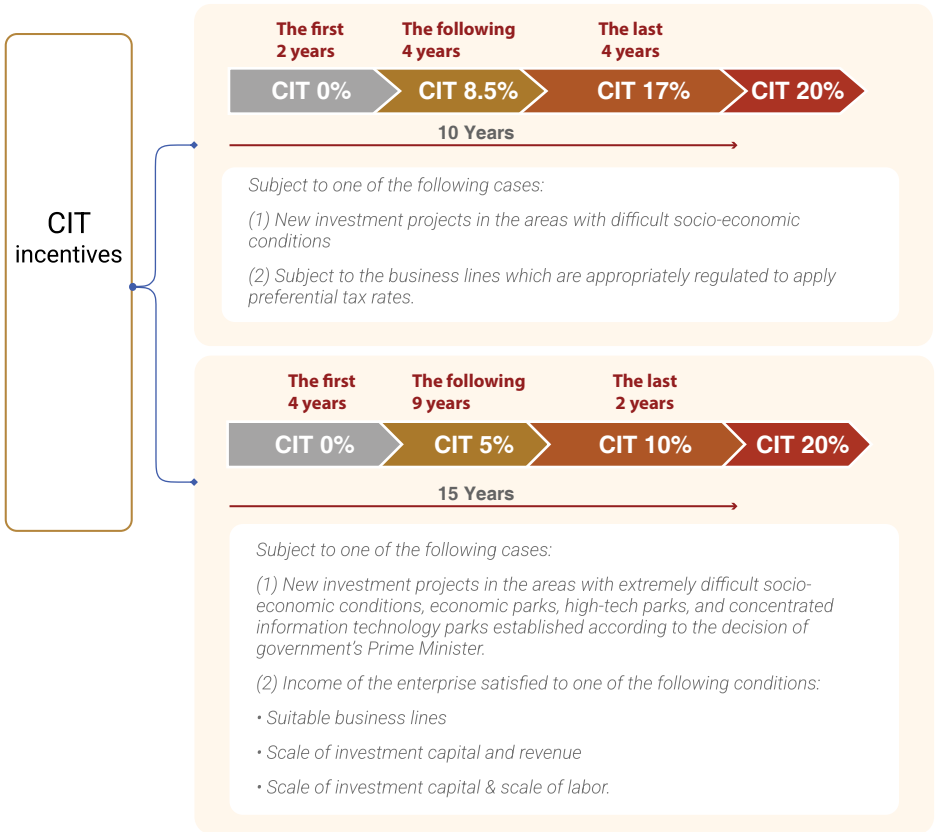


## 2. POPULAR TAXES DURING BUSINESS PROCESS IN VIETNAM

### Corporate income tax

Regular corporate income tax: 20%

Regular tax rates are common for investment projects in industrial parks



\*Applied according to CIT law and enforcement guidance documents

Detailed regulations on the cases of application of CIT incentives, please scan QR code to see details.



## 2. POPULAR TAXES DURING BUSINESS PROCESS IN VIETNAM

### Personal income tax

#### **PIT payers include the following two subjects:**

- Individual residents (present in Vietnam for 183 days or more or having a regular place of residence in Vietnam);

	Taxable income/year (million VND)		Taxable income/month (million VND)		Tax rate (%)
Level 1	To 60		To 5		5
Level 2	Over 60 to 120		Over 5 to 10		10
Level 3	Over 120 to 216		Over 10 to 18		15
Level 4	Over 216 to 384		Over 18 to 32		20
Level 5	Over 384 to 624		Over 32 to 52		25
Level 6	Over 624 to 960		Over 52 to 80		30
Level 7	Over 960		Over 80		35

- For non-resident individuals, the tax rate of 20% is applied on gross income from wages and salaries. For other sources of income, the corresponding tax rate shall be applied according to the provisions of the PIT law.

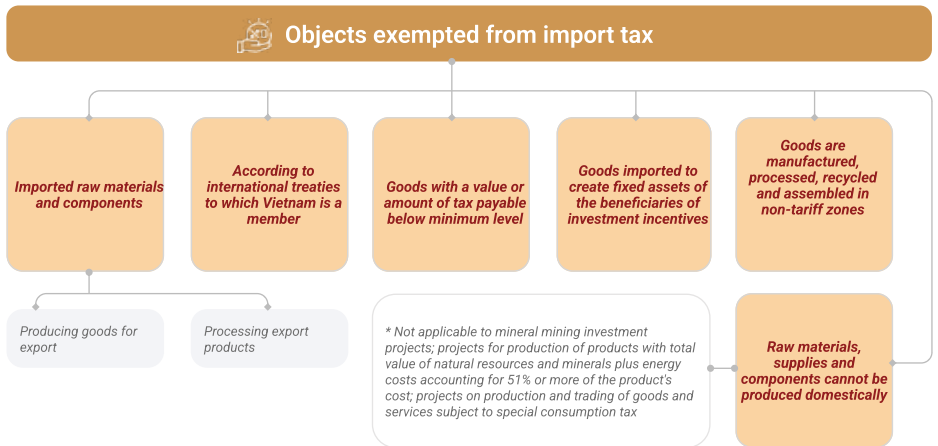
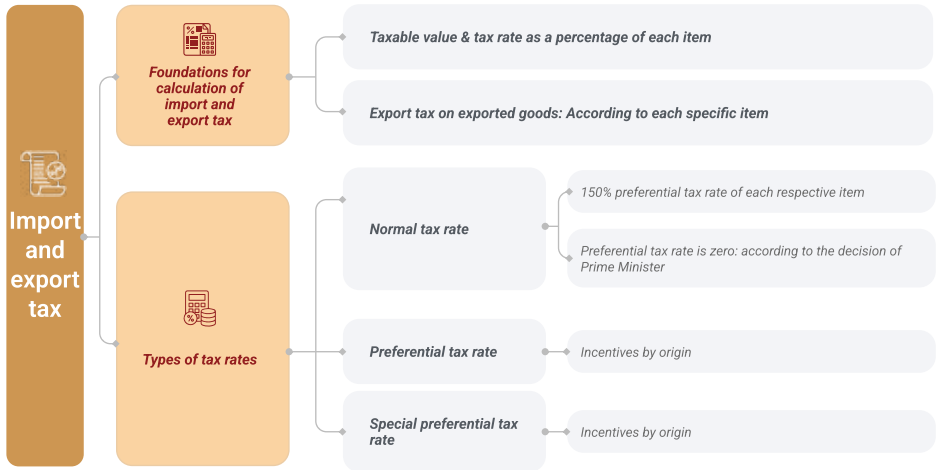


*\*Pursuant to Article 22 of the Law on Personal Income Tax 2007.*

*Detailed regulations on how to calculate PIT, please scan QR code to see details, (QR code image)*

## 2. POPULAR TAXES DURING BUSINESS PROCESS IN VIETNAM

### Import and export tax



\*Details of cases where import and export tax rates are exempted, please scan the QR code to see details



## 2. POPULAR TAXES DURING BUSINESS PROCESS IN VIETNAM

### ***Special consumption tax***

- Special consumption tax is applied to goods and services with limited consumption or luxury goods such as alcohol, cars with less than 24 seats, disco business, betting business... The tax rate depends on each type of goods and ranges from 5% to 150%. Services are subject to tax rates from 15% to 40%.

### ***Resource tax***

- Applied to organizations and individuals exploiting and using resources such as water, minerals, crude oil, natural gas... Tax rates for exploitation of natural water are from 1% to 10%, minerals from 3% to 30%, and crude oil from 6% to 40%.

### ***Contractor tax:***

- Applied to foreign organizations and individuals doing business without having a presence in Vietnam but generating income from the provision of services or services associated with goods in Vietnam. Contractor tax includes VAT, corporate income tax, personal income tax and tax rates depending on the provided goods and services. Enterprises when hiring foreign contractors pay attention to the payment of tax of foreign contractors according to regulations.

### ***Environmental Protection tax***

- Applied to producers or importers of taxable goods such as gasoline, oil, grease, coal, HCFCs, plastic bags, herbicides, termites, forest product preservatives, warehouse disinfection drugs...

### ***Non-agricultural land use tax***

- Non-agricultural production and business land includes land for the construction of industrial zones, land for the construction of production and business establishments, land for mining and processing flukes; and land for production of building materials and pottery; organizations and individuals must pay non-agricultural land use tax. For each level of land area, there is a different tax rate.

### 3. SALARY AND LABOR REGULATIONS

#### Regional minimum wage

Region	Minimum monthly wage (Unit: VND/month)	Minimum hourly wage (Unit: VND/hour)
Region I	4.680.000	22.500
Region II	4.160.000	20.000
Region III	3.640.000	17.500
Region IV	3.250.000	15.600

Regional minimum wage according to the Government's regulations is applied in 2023. Actual recruitment salary according to the market, including overtime pay.



\* To check the City/province's regional minimum wage, please scan the QR code

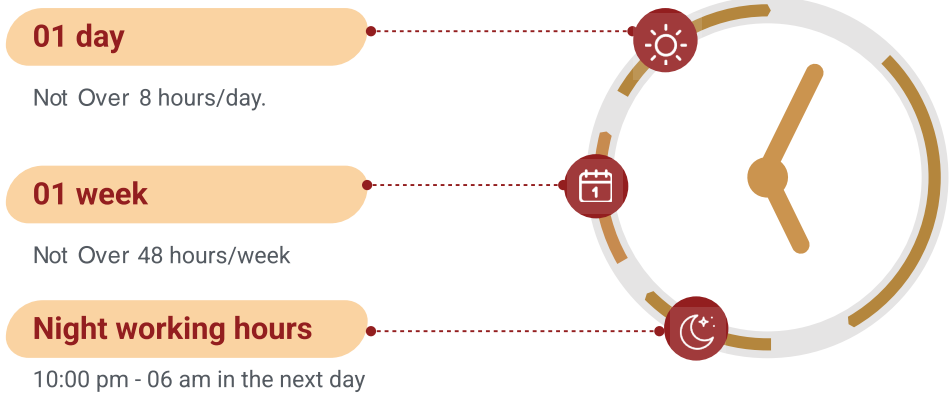
#### Regulations on insurance payment for employees

Minimum insurance payment rate is calculated based on the regional minimum wage.

No.	Type of insurance	The Employer (%)	The Employee (%)	Total
1	Social insurance	17.5	8.0	25.5
2	Health insurance	3.0	1.5	4.5
3	Unemployment insurance	1.0	1.0	2.0
<b>Total</b>		<b>21.5</b>	<b>10.5</b>	<b>32.0</b>

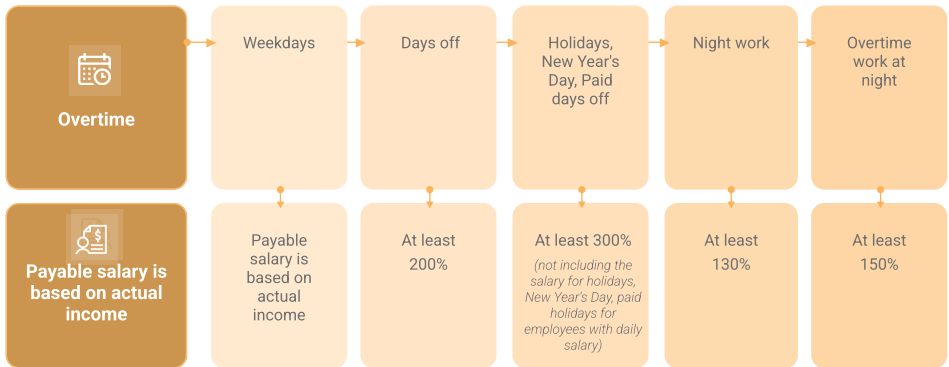
### 3. SALARY AND LABOR REGULATIONS

#### Normal working time



*\*For more details, refer to the provisions of the Labor Code 2019*

#### Overtime pay and night work pay






*\*Please scan the QR code to see more details on working time regulations and overtime pay.*



### 3. SALARY AND LABOR REGULATIONS

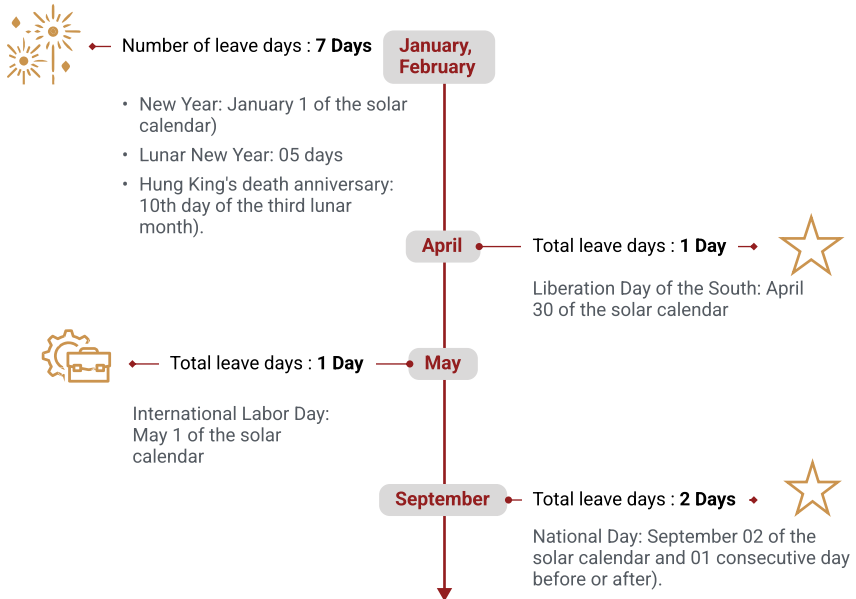
#### Annual leave

	Normal condition	12 days per year
	Juvenile employees, disabled employees, people doing heavy, hazardous or dangerous jobs	14 days per year
	Particularly arduous, hazardous and dangerous jobs	16 days per year

#### New Year, holidays

Total number of holidays and New Year days: 11 days per year

Employees are entitled to leave and receive full salary on the following holidays and New Year:



## 4. RESPONSIBILITIES FOR COMPENSATION OF LABOR ACCIDENTS AND OCCUPATIONAL DISEASES OF ENTERPRISE

**Case 1: Compensation for occupational accidents and occupational diseases are not entirely caused by this employee's fault**

Level of working capacity reduction	5% -10%	11% - 80%	Over 81% or death
Level of subsidies	at least salary of 1.5 months	Increase 1% plus salary of 0.4 month according to the formula below: <b>Tbt = 1,5 + {(a - 10) x 0,4}</b> In which: - Tbt: Compensation level for people with working capacity reduction of 11% or more (unit: monthly salary); -1.5: Compensation level for working capacity reduction from 5% to 10%; a: Level (%) of working capacity reduction of the people suffering from occupational accidents or occupational diseases; 0.4: Compensation coefficient for working capacity reduction increases by 1%.	at least salary of 30 months

**Case 2: Allowances for occupational accidents caused by the fault of employees with accidents**

Level of working capacity reduction	5% -10%	11% - 80%	Over 81% or death
Level of subsidies	at least salary of 0.6 months	According to the below formula: <b>Ttc = Tbt x 0,4</b> In which: -Ttc: Allowances for employees suffering from working capacity reduction are quite high, increasing from over 10% or more (calculation unit: salary month); -Tbt: Compensation level for people with working capacity reduction from 10% or more (unit: salary month);	at least salary of 12 months

\* Please scan the QR code to see the detailed content on compensation responsibility for occupational accidents and diseases.





## **PART II: BINH PHUOC PROVINCE'S INVESTMENT ATTRACTION POTENTIAL**

# BINH PHUOC PROVINCE'S INVESTMENT ATTRACTION STRENGTHENS



## 1. LARGE LAND FUND

**CALCULATED TO 2023**

-  Total industrial parks: **13**
-  Total area: **6,601 ha.**

**TARGETS TO 2030**

-  Land of industrial parks: **11,522ha**
-  Land of economic parks: **25,864 ha**
-  Land of industrial clusters: **1,279 ha**

## 2. STRATEGIC LOCATION

Located in the southern key economic zone - the center of attracting the largest FDI source of Vietnam.

89 km from Ho Chi Minh City  
Adjacent to Binh Duong



### 3. DYNAMIC PROVINCIAL GOVERNMENT

One-door service: One focal point to receive and process Investor's documents.



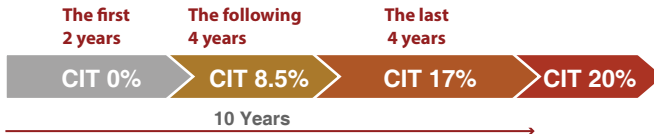
Online public service at level 3,4: Documents mainly applied on online platform.



Binh Phuoc Intelligent Operations Center (IOC Binh Phuoc)

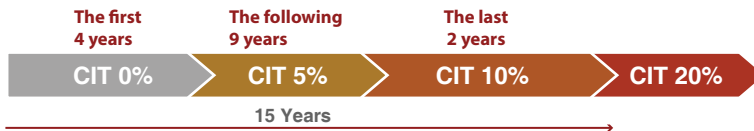


## 4. PREFERRED CIT



Subject to one of the following cases:

- (1) New investment projects in the areas with difficult socio-economic conditions.
- (2) Subject to the business lines which are appropriately regulated to apply preferential tax rates.



Subject to one of the following cases:

- (1) New investment projects in the areas with extremely difficult socio-economic conditions, economic parks, high-tech parks, and concentrated information technology parks established according to the decision of government's Prime Minister.
- (2) Income of the enterprise satisfied to one of the following conditions:
  - Suitable business lines
  - Scale of investment capital and revenue
  - Scale of investment capital & scale of labor

\* Please scan the QR code to see more detailed regulations on cases of corporate income tax exemption and reduction.



## 5. QUICK INVESTMENT PROCESS



\* Approval time: from the date of providing completely documents as prescribed



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## **PART III: MINH HUNG SIKICO AN OUTSTANDING INDUSTRIAL PARK IN THE SOUTH VIET NAM**



*\* Please scan the  
QR code to watch  
video of IP*

# 1. STRATEGIC LOCATION



## DISTANCE TO THE CITY

- HCMC \_\_\_\_\_ 89 km
- Thu Dau Mot \_\_\_\_\_ 67 km
- Bien Hoa City \_\_\_\_\_ 88 km

## DISTANCE TO ROAD

- National highway 13 \_\_\_\_\_ 6.5 km
- National highway 14 \_\_\_\_\_ 19.5 km
- HCM - TDM - Chon Thanh expressway \_\_\_\_\_ 8.1 km
- My Phuoc - Tan Van Expressway \_\_\_\_\_ 33 km

## DISTANCE TO PORTS AND BORDER GATES

- Chon Thanh ICD \_\_\_\_\_ 3 km
- Cai Mep port \_\_\_\_\_ 145 km
- Hoa Lu border gate \_\_\_\_\_ 70 km
- Cat Lai port \_\_\_\_\_ 100 km

## DISTANCE TO RAILWAY

- Xuyen A \_\_\_\_\_ 3 km
- Dak Nong - Chon Thanh \_\_\_\_\_ 9 km

## 2. LEGAL TRANSPARENCY

Available certificate of land use rights for each land lot



Lumpsum land payment



Land use period of 43 years, until May 30, 2066



## 3. TECHNICAL INFRASTRUCTURE



### POWER SUPPLY SYSTEM

Capacity: 180 MVA



### GREEN ENERGY

The developer plans to invest in a solar power farm, providing electricity for the entire industrial park



### WATER SUPPLY PLANT

Total capacity of 30.000m<sup>3</sup>/day-night



### WASTEWATER TREATMENT PLANT

Joint venture partner in charge of operations



- Total capacity of 25.000 m<sup>3</sup>/day-night
- Currently planning to increase capacity
- Using the current most advanced biotechnology to treat water with an eco-friendly method



\* Please scan the QR code to see more to see more images of IP

## 4. MULTI-INDUSTRIAL SUITABILITY



### Generating waste gases & wastewater industries

- Wood, interior decoration
- Paper, packaging
- Construction materials, mechanics (with plating)
- Producing assembling sport equipment
- Producing plastics



### Supporting Industries

- Gloves
- Producing threads, buttons
- Ancillary production for the furniture industry
- Some mechanical and machinery industries
- Accessories for other industries in the Industrial Park



### Clean industries

- Electronics, microelectronics
- Pharmaceutical industry
- Stationery



### Generating large amount of wastewater industries

- Food manufacturing and Food processing
- Producing animal and poultry feed
- Textile (dye process included)

## 5. OPERATIONAL MANAGEMENT 4.0

- The developer pioneers applying MH SIKICO App to IP's management and operation.
- According to the plan, the AI Camera system will be integrated into the general security management system of the industrial park.



## 6. ACCOMPANY AND SUPPORT INVESTORS

Supportively carry out procedures for issuance of Investment Registration Certificate within 07 working days and Business Registration Certificate within 01 working day



Accompany the Investors in the implementation of procedures: Work Permit, EIA, Construction Permit, Fire Protection...





Scan QR code to enter  
website

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