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**A number of policies released to assist
software exporting enterprises in
Da Nang City, Vietnam**

07 July 2015



Based on the Strategy of developing information technology and communication in Vietnam up to 2010 and the Prime Minister's direction towards 2020, the People's Committee of Da Nang City has issued Decision Number 10/2015/QĐ-UBND dated 15 April 2015 to provide a number of policies assisting software exporting enterprises in Da Nang, Vietnam.

In this Newsletter, Grant Thornton Vietnam would like to provide a brief summary of these assistance policies and tax incentives available in this area for your reference as follows:

1. Requisite conditions to be entitled to the assistance:

- Enterprises having more than 20 employees directly participating in activities relating to exporting software.
- Turnover of software exporting activities is over USD200,000 per year. Turnover of exporting activities of the year being assessed to enjoy the incentives should be higher than the turnover of the preceding year by at least 10%.
- Enterprises enjoying incentive scheme must fully fulfill the payment obligations to the State Budget.

2. Timeline

Enterprises eligible to the assistance should send the dossiers requesting for such support to the Department of Information and Communications **before 30 April every year.**

Assistance policies provided to exporting software enterprises, include:

- Assistance in infrastructure
- Assistance in human resources training and enhancing skills for management
- Assistance for trading promotion
- Assistance on loans with preferential interest rates

1. Assistance in infrastructure

Enterprises can enjoy the assistance policies for a period not exceeding three (03) years, in particular:

- 20% reduction on leased price of land in Da Nang Software Park;
- 30% reduction on fee paid to the hosting website;
- 20% reduction on renting fee of server, renting fee of the place to put the server, renting fee of MAN network, data storage services, information security services;
- 20% reduction on expenses relating to using public infrastructure (halls, meeting rooms) in Da Nang Software Park.

2. Assistance in human resources training and enhancing skills for management

- Providing funding accounting for 30% of the initial training expenditures if the enterprises meet the following conditions:
 - Training for advanced software programming skills;
 - Employees subject to the training program are required to be those directly participating in software exporting activities with labour contracts, and being resident in Da Nang as well as the commitment to work for the enterprise at least 03 consecutive years after the training has completed;
 - Total funding amount for the 03 year period cannot exceed VND 50,000,000 per enterprise;
- Provide funding for the cost of consultancy service in constructing quality control procedures of enterprises pursuant to the CMMI international standards with level 3 and upwards
 - Providing funding for 20% of the contract value for every consulting contract but not exceeding VND200,000,000 per enterprise.



- In instances where the enterprises have already received funding from the Central Government, the additional support will not exceed 10% of the expenses of a standard consulting contract per enterprise; however, it should not exceed VND20,000,000 for each enterprise.

3. Assistance for trading promotion

- Provide 100% funding of registration costs for domestic software copyright protection but not exceeding VND5,000,000 per software product and no more than three (03) software products for each enterprise per annum.
- Assisting enterprises to participate in the industrialised international exhibition/fairs conducted in Vietnam, in particular:
 - Free booth rental fee in relation to the exhibition/fair held in Danang City.
 - Assisting with 50% of rental expense for standard booths if the exhibition/fair held in other provinces, but the funding shall not exceed two (02) standardised booths per enterprise for each participation.
- Assisting with 50% of cost incurred in relation to advertisement on electronic portals, Information and Communications Journals, the city's E-commerce portal.

4. Assistance on loans with preferential interest rates

Software exporting enterprises will be entitled to preferential interest rate for the loans from Da Nang Investment and Development Fund under the current provisions of the Fund.

The current tax incentives applicable for software production enterprises:

Corporate Income Tax (“CIT”):

Newly established software exporting enterprises will enjoy the tax incentives as follows:

- Preferential CIT rates of 10% for fifteen (15) years, starting from the year these newly established enterprises begin their operation.
- CIT exemption for four (04) years, counting from the year the enterprises incur taxable income and tax reduction by 50% for the next 09 years.

Value Added Tax (“VAT”):

Income from production of computer software for export will subject to VAT rate of 0%.

Please contact our professional tax advisors shall you require further assistance



Contacts

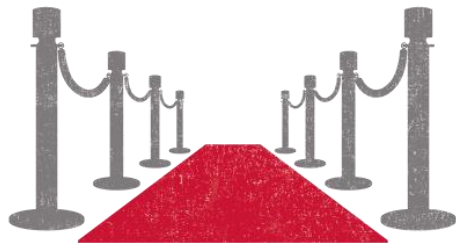
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Questions & feedback

