

GOVERNMENT INCENTIVES FOR COMPANIES IN QUANG TRUNG PARK

Tax incentives

a. Corporate income tax

- Four years exemption for corporate income tax after the first year of taxable income; then 9 years at 50% tax reduction; 10% tax rate during the time to execute the projects.

b. Value Added Tax (VAT)

- Software products and software services which are consumed in Vietnam shall not have to pay VAT.
- 0% VAT applicable to export of software products and software services.

c. High income tax

- Vietnamese citizens and Vietnamese overseas who work or invest in QTSC will be eligible for the same incentives in personal income tax exemption or tax reduction as those applicable to foreigners.

d. Im-export Tax

- Tax exemption for imported materials used in software production which cannot be produced domestically.
- If imported materials which cannot be produced domestically used for software production is exempted from import tax, they will also be exempted from import VAT
- Tax exemption for export of software products and services.

Incentives in using Land

- Single-price policy applicable to local and foreign investors who lease land from QTSC directly.
- Investors are entitled to using land-use-right and assets related to land as collateral during the project lifetime or the duration of land sublease at credit institutions legally operating in Vietnam.
- Investors in R&D projects in hi-tech industry or training highly skilled human resources will enjoy land rental exemption in accordance with regulations issued by the Government.

Capital, credit and guarantee

- Investment under the Law on Encouragement of Domestic Investment will be considered for loans by the Investment Development Fund in medium/long term at favorable interest rates as well as obtaining loan guarantee, benefiting from post-investment preferential rate as currently regulated.
- These investments enjoy incentives in export credit support from the Government when exporting directly and will be entitled to export awards in accordance with official regulations.

Entry-exit visa and residence

- Foreigners and overseas Vietnamese working for projects in Quang Trung Software City, together with their family members, will receive multiple visas with duration in accordance with the working period in Quang Trung Software City.

- Foreigners and overseas Vietnamese working for projects in Quang Trung Software City will enjoy the most favorable policies on Entry-Exit Visa, and can purchase or rent houses in Quang Trung Software City as regulated by the law.

The direct international gateway:

Quang Trung Software City's own firewall is built in the optical fiber backbone and a full range of ports and bandwidth provided shall be in compliance with the capacity stated in the lease.

Competitive prices

- Office: equipped, air-conditioning systems, lighting system, Internet connection ports, and other high qualified services at competitive prices.
- Software and software service enterprises can own or rent land with preferential prices: at US\$15/sqm for long-term use with one-off payment plus US\$0.15/sqm/year for technical infrastructure maintenance; at 0.4 USD/sqm/year for land lease of up to 50 years plus US\$0.15/sqm/year for technical infrastructure maintenance.
- Connection to Internet line of wireless, leased-line (64 kbps, 128 kbps...), E1, Frame Relay,... with multi-services and at preferential prices and other added services as per request.

Technical infrastructure

- Internal road systems, power and water supply systems, drainage systems, transportation roads from downtown to QTSC and crossover bridges, public buses and QTSC private mini buses....
- Not only software production and services but IT training and development organizations can enjoy the incentives, applicable to software enterprises.

Somes business activities which are encouraged to invest in Quang Trung Software City:

- ICT related (business processing outsourcing, offshore development center, data center, software production, design, application development, system integration, data warehousing, disaster recovery, etc).
- Research and development (hi-tech, clean room, innovation center, etc).
- Training center and man power supply (IT, language, soft-skill, technical-skill, etc).
- Business incubation center.
- Banking, insurance services, venture capital and consulting.
- Facilities services (restaurant, entertainment, accommodation, kindergarten, healthcare, shopping, securities, etc).