

**RESOLUTION****Ref.: The organization of urban government and the piloting of a number of special mechanisms and policies for the development of Da Nang City****THE NATIONAL ASSEMBLY***Pursuant to the Constitution of the Socialist Republic of Vietnam;**Pursuant to the Law on Organization of the National Assembly No. 57/2014/QH13 amended and supplemented by a number of articles under Law No. 65/2020/QH14;**Pursuant to the Law on Organization of Local Government No. 77/2015/QH13 amended and supplemented by a number of articles under Law No. 21/2017/QH14 and Law No. 47/2019/QH14;**Pursuant to the Law on Promulgation of Legal Documents No. 80/2015/QH13 amended and supplemented by a number of articles under Law No. 63/2020/QH14;***HEREBY RESOLVES:****Chapter I****GENERAL PROVISIONS****Article 1. Scope of regulation**

This Resolution provides for the organization of urban government and the piloting of a number of special mechanisms and policies for the development of Da Nang City (hereinafter referred to as the City) with regard to financial management, state budget management; investment management; planning, urban, natural resources, and environmental management; sectors and occupations prioritized for attracting strategic investors to the City; establishment of the Da Nang Free Trade Zone; investment in the development of semiconductor microchips, artificial intelligence, information and communications, science and technology management, and innovation.

**Article 2. Subjects of application**

1. State agencies, political organizations, and socio-political organizations.
2. Socio-political-professional organizations, social organizations, and socio-professional organizations.
3. Other relevant organizations and individuals.

**Article 3. Interpretation of terms**

In this Resolution, the terms below are construed as follows:

1. A *startup enterprise* is an enterprise established in accordance with the law to implement ideas based on the exploitation of intellectual property, technology, new business models, and the ability to grow rapidly.

2. A *strategic partner* in the fields of semiconductor microchips and artificial intelligence must meet all of the following conditions:

a) Be enterprises operating in the sectors and occupations included in the list prescribed in Clause 1 Article 12 of this Resolution;

b) Have signed a memorandum of understanding with the City People's Committee on cooperation in the fields of semiconductor microchips and artificial intelligence;

c) Have global revenue in the most recent year exceeding VND 25,000 billion;

d) Have commitments to support the City in software, hardware, human resource training, and other contents for the development of semiconductor microchips and artificial intelligence;

e) Have commitments for long-term development in the City for a minimum period of 05 years.

3. A *startup project incubator or startup enterprise incubator* (hereinafter referred to as the incubator) is a facility that provides the necessary conditions in terms of technical infrastructure, resources, and services for innovative startup projects and startup enterprises to complete business ideas and develop enterprises during the early stages.

4. An *intermediary organization supporting innovative startups* is a business accelerator, an innovative startup support organization, an innovative startup support service hub, a technical facility supporting small and medium-sized enterprises, an incubator, a co-working space supporting startup enterprises, a center for technology transfer promotion and support, an innovation support center, an innovation center, or an organization providing shared-use equipment.

5. An *innovation space or co-working space* is a concentrated working space, product display area, and area providing utilities to support and connect innovative startup enterprises.

6. *Controlled testing* is the testing of innovative technology, products, services, or new business models in real conditions within a limited scope under the supervision of competent state agencies in certain fields where the law has not yet regulated, has not yet permitted implementation, or where current legal regulations are not suitable for the characteristics and new features of the proposed technology, products, services, or business models, with the aim of encouraging innovation activities and serving as a basis for evaluation and completion before official application.

7. A *logistics center* is a type of synchronized infrastructure facility where activities related to transportation, logistics services, and goods distribution are

carried out, including services of receiving goods, transportation, warehousing, yard storage, customs procedures, other procedures, customer consultation, packaging, labeling, delivery, and other related services.

## **Chapter II**

### **ORGANIZATION OF URBAN GOVERNMENT**

#### **Article 4. Organization of urban government in the City**

1. The local government in the City is the level of local government, consisting of the City People's Council and the City People's Committee.

2. The local government in urban districts of the City is the District People's Committee.

The District People's Committee is the state administrative body in the district, performing tasks and exercising powers in accordance with this Resolution and under the decentralization and authorization of the City People's Committee and the Chairperson of the City People's Committee.

3. The local government in wards under districts of the City is the Ward People's Committee.

The Ward People's Committee is the state administrative body in the ward, performing tasks and exercising powers in accordance with this Resolution and under the decentralization and authorization of the City People's Committee, the Chairperson of the City People's Committee, the District People's Committee, and the Chairperson of the District People's Committee.

4. The organization of local government in other administrative units of the City shall comply with the Law on Organization of Local Government.

#### **Article 5. City People's Council**

1. The City People's Council performs tasks and exercises powers as prescribed in the Law on Organization of Local Government, other relevant legal provisions, and the following tasks and powers:

a) Deciding on estimates of state budget revenues in the locality; estimates of local budget revenues and expenditures and allocation of budget estimates at its level, including budget estimates of lower-level local governments; adjusting local budget estimates when necessary; approving local budget settlements;

b) Deciding on long-term, medium-term, and annual socio-economic development plans of the City, including medium-term and annual socio-economic development plans of districts and annual socio-economic development plans of wards;

c) Passing resolutions on the establishment, dissolution, merger, division, or adjustment of administrative boundaries of districts and wards;

d) Supervising the compliance with the Constitution and the law and the implementation of resolutions of the City People's Council in districts and wards; supervising the activities of District People's Committees, Ward People's Committees, District People's Courts, and District People's Procuracies;

e) Delegates of the City People's Council have the right to question the Chairperson of the District People's Committee, the Chief Justice of the District People's Court, and the Head of the District People's Procuracy. The City People's Council shall consider the responses to questions from the persons questioned;

f) Electing People's Jurors of the District People's Court based on nominations by the City Fatherland Front Committee; relieving from duty and dismissing People's Jurors of the District People's Court at the request of the Chief Justice of the City People's Court after reaching agreement with the Vietnam Fatherland Front Committee of the same level;

g) Basing on the type of commune-level administrative unit, economic activities and characteristics of the locality, the increase in population size and natural area of the commune-level administrative unit as prescribed by the Government to decide the number of officials and civil servants working at wards and communes.

2. The Standing Committee of the City People's Council consists of the Chairperson of the People's Council, 02 Vice Chairpersons of the People's Council, and members who are Heads of Committees of the City People's Council. The Chairperson of the City People's Council may be a full-time People's Council delegate; the Vice Chairpersons of the City People's Council shall be full-time People's Council delegates.

Committees of the City People's Council consist of a Head, 02 Deputy Heads, and members. The Head of a Committee of the City People's Council may be a full-time People's Council delegate; the Deputy Heads of Committees of the City People's Council shall be full-time People's Council delegates. A Committee of the City People's Council may arrange 01 full-time member. A full-time member shall receive salary in accordance with current regulations applicable to officials and civil servants; shall receive a position allowance equivalent to that of a department-level head and other regimes and policies as prescribed by law.

3. The City People's Council establishes the Department of Food Safety as a specialized agency under the City People's Committee; prescribes the functions, tasks, powers, and organizational structure of the Department of Food Safety on the basis of transferring the function of state management of food safety, inspection, examination, and administrative sanctioning of food safety violations from the Department of Health, the Department of Agriculture and Rural Development, and the Department of Industry and Trade to the Department of Food Safety.

**Article 6. City People's Committee, Chairperson of the City People's Committee**

1. The City People's Committee performs tasks and exercises powers prescribed in the Law on Organization of Local Government, other relevant legal provisions, and the following tasks and powers:

a) Formulating and submitting to the City People's Council for decision the contents prescribed at Points a and b Clause 1 Article 5 of this Resolution, and organizing the implementation of resolutions of the City People's Council. Based on the resolutions of the City People's Council, deciding the assignment and adjustment of revenue and expenditure tasks for subordinate districts and wards; deciding on guidelines and measures for implementing the local budget, including district and ward budgets;

b) Deciding on investment guidelines for programs and projects of Group B and Group C using public investment capital under the management of districts and wards;

c) Deciding on the establishment, reorganization, dissolution, renaming, and prescribing functions and tasks of specialized agencies under the District People's Committee, ensuring that the number of specialized agencies does not exceed the maximum prescribed by the Government; organizing multi-sector and multi-field management, ensuring compactness, effectiveness, and efficiency, and fully performing the state management functions and tasks of the District People's Committee.

2. The Chairperson of the City People's Committee performs tasks and exercises powers prescribed in the Law on Organization of Local Government, other relevant legal provisions, and the following tasks and powers:

a) Appointing, relieving from duty, transferring, rotating, seconding, commending, disciplining, and temporarily suspending from duty the Chairpersons and Vice Chairpersons of District People's Committees, and the Chairpersons and Vice Chairpersons of the Island District People's Committee;

b) Suspending the implementation of, or annulling part or all of, unlawful documents of District People's Committees and Ward People's Committees.

#### **Article 7. Organizational structure, working regime, tasks, and powers of District People's Committees**

1. The organizational structure of the District People's Committee includes the Chairperson of the District People's Committee; Vice Chairpersons of the District People's Committee; the Commander of the District Military Command; the Chief of the District Police; specialized agencies under the District People's Committee; other administrative agencies; and public service units under the District People's Committee. A Grade I district may have no more than 03 Vice Chairpersons, and a Grade II district may have no more than 02 Vice Chairpersons.

The Chairperson and Vice Chairpersons of the District People's Committee are civil servants holding leadership and managerial positions of the District People's Committee.

2. The working regime of the District People's Committee is prescribed as follows:

a) The District People's Committee works under the headship regime, ensuring the principle of democratic centralism;

b) The Chairperson of the District People's Committee is the head of the District People's Committee and is responsible before the City People's Council, the City People's Committee, the Chairperson of the City People's Committee, and before the law for the performance of tasks and powers of the District People's Committee.

The Chairperson of the District People's Committee appoints, relieves from duty, transfers, rotates, seconds, commends, disciplines, and temporarily suspends from duty the Chairpersons and Vice Chairpersons of Ward People's Committees and heads and deputy heads of specialized agencies under the District People's Committee; recruits and manages civil servants and public employees under their management as prescribed by law; signs documents of the District People's Committee;

c) Vice Chairpersons of the District People's Committee assist the Chairperson of the District People's Committee in performing tasks assigned by the Chairperson of the District People's Committee and are responsible before the Chairperson of the District People's Committee for the assigned tasks. When the Chairperson of the District People's Committee is absent, one Vice Chairperson of the District People's Committee shall be authorized by the Chairperson to act on behalf of the Chairperson to direct and resolve the work of the District People's Committee.

3. The District People's Committee has the following tasks and powers:

a) Performing tasks and exercising powers as a budget-estimating unit under the City People's Committee in accordance with the Law on State Budget;

b) Proposing investment guidelines for programs and public investment projects using state budget capital to the City People's Committee; giving opinions on investment guidelines for projects under the authority of competent agencies or individuals for which the Law on Public Investment requires the participation of district-level People's Councils; organizing the implementation of public investment programs and projects and plans within the district according to the delegated management;

c) Prescribing the organizational structure and specific tasks and powers of specialized agencies under the District People's Committee in conformity with the practical situation of state management in urban areas of the City;

d) Being responsible for the effectiveness and efficiency of the state administrative system from the district to the grassroots level, ensuring the unity and

smoothness of the administration; implementing administrative reform and reform of public duties and civil servants within the local state administrative system;

e) Proposing and coordinating with competent agencies in performing tasks related to national defense, security, measures ensuring public order and social safety, combating crime and other violations of the law within the locality under delegated management;

f) Performing tasks related to organizing and ensuring the enforcement of the Constitution and the law; building government and administrative boundaries; education, training, science, technology, culture, information, physical training and sports, health, labor, social policies, ethnic policies, religious policies, judicial administration, judicial assistance, environmental protection measures, fire and explosion prevention and control, natural disaster and epidemic prevention and control, population management, and other tasks and powers as prescribed by law within the locality;

g) Managing and organizing the use of offices, assets, working facilities, and state budget allocated in accordance with the law;

h) Organizing inspection, examination, settlement of complaints and denunciations, handling violations of the law, and receiving citizens in accordance with the law;

i) Performing tasks and exercising powers delegated or authorized by higher-level state agencies;

k) Decentralizing and authorizing tasks and powers to Ward People's Committees; authorizing specialized agencies, other administrative agencies, and public service units under the District People's Committee to perform tasks and powers of the District People's Committee in accordance with the law;

l) Promulgating legal normative documents to regulate matters assigned by laws and resolutions of the National Assembly and to implement decentralization as prescribed at Point k of this Clause. Suspending the implementation of, or annulling part or all of, unlawful documents issued by specialized agencies under the District People's Committee and unlawful documents issued by Ward People's Committees;

m) Deciding on tasks that, under the law, must be submitted to the District People's Council for approval before decision; submitting to the City People's Committee for decision the tasks that fall under the authority of the District People's Council in accordance with the law;

n) Performing other tasks and exercising other powers as prescribed by law that are not contrary to the provisions of this Resolution.

**Article 8. Organizational structure, working regime, tasks, and powers of Ward People's Committees; management of ward and commune officials and civil servants**

1. The organizational structure of the Ward People's Committee includes the Chairperson of the Ward People's Committee; Vice Chairpersons of the Ward People's Committee; the Commander of the Ward Military Command; the Chief of the Ward Police; and other civil servants working at the Ward People's Committee. A Grade I or Grade II ward may have no more than 02 Vice Chairpersons, and a Grade III ward has 01 Vice Chairperson.

The Chairperson and Vice Chairpersons of the Ward People's Committee are civil servants holding leadership and managerial positions of the Ward People's Committee.

2. The working regime of the Ward People's Committee is prescribed as follows:

a) The Ward People's Committee works under the headship regime, ensuring the principle of democratic centralism;

b) The Chairperson of the Ward People's Committee is the head of the Ward People's Committee and is responsible before the Chairperson of the District People's Committee and before the law for the performance of tasks and powers of the Ward People's Committee; directly manages and utilizes civil servants in accordance with Government regulations and the decentralization and authorization of the City People's Committee, the Chairperson of the City People's Committee, the District People's Committee, and the Chairperson of the District People's Committee; signs documents of the Ward People's Committee.

c) Vice Chairpersons of the Ward People's Committee assist the Chairperson of the Ward People's Committee in performing tasks assigned by the Chairperson of the Ward People's Committee and are responsible before the Chairperson of the Ward People's Committee for the assigned tasks. When the Chairperson of the Ward People's Committee is absent, one Vice Chairperson of the Ward People's Committee shall be authorized by the Chairperson to act on behalf of the Chairperson to direct and resolve the work of the Ward People's Committee.

3. The Ward People's Committee has the following tasks and powers:

a) Performing tasks and exercising powers as a budget-estimating unit under the District People's Committee in accordance with the Law on State Budget;

b) Proposing investment guidelines for programs and public investment projects using state budget capital to the District People's Committee for submission to competent authorities for decision on investment guidelines; giving opinions on investment guidelines for projects under the authority of competent agencies or individuals for which the Law on Public Investment requires the participation of commune-level People's Councils; organizing the implementation of public investment programs and projects under delegated management;

c) Proposing and coordinating with competent agencies in performing tasks related to national defense, security, measures ensuring public order and social

safety, combating crime, and other violations of the law within the locality under delegated management;

d) Coordinating with the Vietnam Fatherland Front Committee of the same level in establishing Election Committees for National Assembly deputies and Election Committees for People's Council deputies;

e) Performing tasks and exercising powers delegated or authorized by higher-level state agencies;

f) Performing tasks related to organizing and ensuring the enforcement of the Constitution, laws, and documents of higher-level state agencies within the ward;

g) Deciding, within their competence, tasks that under the law must be submitted to the Ward People's Council for approval before decision; submitting to the District People's Committee for decision the tasks falling under the authority of the Ward People's Council in accordance with the law;

h) Having no authority to promulgate legal normative documents;

i) Performing other tasks and exercising other powers as prescribed by law that are not contrary to this Resolution.

4. Officials and civil servants working at wards and communes fall under the payroll of district-level officials and civil servants. The election, recruitment, management, and use of officials and civil servants working at wards and communes shall comply with the law on the election, recruitment, management, and use of officials and civil servants from district level and higher, and according to the authority and decentralized management.

### **Chapter III**

## **PILOTING CERTAIN SPECIAL MECHANISMS AND POLICIES FOR THE DEVELOPMENT OF DA NANG CITY**

### **Article 9. On investment management**

1. The separation of compensation, support, resettlement, and site clearance projects from public investment projects shall be carried out as follows:

a) The City People's Council shall decide on the investment guidelines of an overall project of Group B scale in the field of transportation in accordance with the law on public investment, and shall have the authority to decide on the separation of compensation, support, resettlement, and site clearance work into an independent project when approving the investment guidelines of the overall project; shall decide on the objectives, scale, total investment, funding structure, and investment location of the compensation, support, resettlement, and site clearance project in the decision on investment guidelines for the overall project;

b) Based on the investment guidelines of the overall project, the Chairperson of the City People's Committee shall decide on the investment and adjustment of the compensation, support, resettlement, and site clearance project within the scope of

the objectives, scale, total investment, funding structure, and implementation location of the overall project.

In case the adjustment of the compensation, support, resettlement, and site clearance project generates factors requiring adjustment of the investment guidelines of the overall project, the City People's Council shall adjust the investment guidelines of the overall project before the Chairperson of the City People's Committee adjusts the compensation, support, resettlement, and site clearance project. The adjustment of the investment guidelines of the overall project and the adjustment of the compensation, support, resettlement, and site clearance project shall comply with the law on public investment and other relevant legal provisions;

c) The decision on investment for the compensation, support, resettlement, and site clearance project shall serve as the basis for competent authorities to allocate annual public investment capital for implementation, and at the same time serve as the basis for competent state agencies to issue notices of land recovery and land recovery decisions;

d) The City People's Council shall promulgate a list of public investment projects for which compensation, support, resettlement, and site clearance projects are separated from public investment projects as prescribed in this Clause.

2. The implementation of investment projects under the public-private partnership method (hereinafter referred to as PPP projects) is prescribed as follows:

a) In addition to the sectors prescribed in the Law on Investment under the Public-Private Partnership Method, the City may apply the public-private partnership method to investment projects in the fields of sports, culture, and investment in the construction and business operation of market infrastructure;

b) The total investment for PPP projects involving the construction and business operation of market infrastructure shall not be less than VND 100 billion. The minimum total investment for PPP projects in the fields of sports and culture shall be prescribed by the City People's Council;

c) The City People's Committee shall promulgate service prices for leasing selling-space areas at markets to be included in bidding documents for investor selection;

d) The order and procedures for implementing PPP projects prescribed in this Clause shall comply with the law on investment under the public-private partnership method and other relevant legal provisions;

e) The City People's Council shall stipulate in detail the contents of PPP projects in the fields of sports, culture, and investment in the construction and business operation of market infrastructure in the pre-feasibility study report, feasibility study report, bidding document evaluation criteria, and PPP project contract.

3. A public service unit assigned to manage and operate the technical infrastructure of an industrial cluster already invested with public investment capital

shall be allocated land, leased land, and permitted to re-lease land by the State. The City People's Committee shall prescribe the financial mechanism, authority to determine and decide leasing prices, and eligible lessees in conformity with the actual conditions of the City.

**Article 10. On financial management and state budget**

1. In the first year of the budget stabilization period, the Government shall consider and submit to the National Assembly for decision an appropriate revenue-sharing ratio for the City's budget to ensure resources for achieving the City's socio-economic development goals.

2. The City shall implement the mechanism for generating resources for salary reform in accordance with regulations. After ensuring sufficient resources for salary reform and implementing social security policies for the entire budget stabilization period as prescribed by competent authorities, the City People's Council may decide to use the remaining salary reform resources of the City's budget to invest in socio-economic infrastructure under the expenditure responsibilities of the City's budget, and additional income based on compliance with Clause 1 Article 15 of this Resolution.

3. The City People's Council shall decide to apply within the City:

a) Fees and charges not prescribed in the list of fees and charges promulgated together with the Law on Fees and Charges;

b) Adjustments to the rate or level of fees and charges already decided by competent authorities for types of fees and charges listed in the Law on Fees and Charges, except for court fees, court charges, and types of fees that constitute 100% revenue of the central budget;

c) The pilot implementation of fee and charge policies in the City under Points a and b of this Clause must ensure a roadmap consistent with the City's capacity and development needs; create a favorable production and business environment for enterprises; ensure market uniformity, not obstruct the circulation of goods and services; provide reasonable regulation of goods, services, and lawful incomes of organizations and individuals in the City; and ensure publicity, transparency, and administrative reform in the state administration.

4. The City's budget shall retain 100% of the additional revenue generated from the adjustment of fee and charge policies as prescribed at Points a and b Clause 3 of this Article for investment in socio-economic infrastructure under the expenditure responsibilities of the City's budget. These revenues shall not be used to determine the percentage (%) of revenue shared between the central budget and the City's budget.

5. The City may borrow capital through the issuance of local government bonds; borrow from domestic financial institutions and other domestic organizations; and receive re-lent capital from the Government's foreign loans, with the total

outstanding loan balance not exceeding 80% of the City's budget revenues retained according to the decentralization. The total annual borrowing and budget deficit of the City shall be decided by the National Assembly in accordance with the Law on State Budget.

6. The budget expenditure estimates of district-level People's Committees of the City and ward-level People's Committees of districts shall include an unallocated reserve ranging from 2% to 4% of the total district and ward budget expenditures for the implementation of tasks related to natural disaster prevention, control, and remediation; epidemic prevention and control; incidents and catastrophes; famine relief; important national defense and security tasks; and other necessary tasks, ensuring that the total amount of unallocated reserves of district and ward budgets and the local budget contingency does not exceed the contingency level of 2% to 4% of the total local budget expenditures.

District People's Committee Chairpersons and Ward People's Committee Chairpersons shall decide on expenditures from the unallocated reserve; every 06 months, ward-level People's Committees shall report to district-level People's Committees for consolidation and submission to the City People's Committee for reporting to the City People's Council at the nearest session.

7. The piloting of a financial mechanism for implementing greenhouse gas emission reduction measures under carbon credit exchange and offset mechanisms is prescribed as follows:

a) Carbon credits generated from programs and projects under carbon credit exchange and offset mechanisms invested with City budget capital may be traded with domestic and international investors. The City People's Committee shall coordinate with the Ministries of Industry and Trade; Transport; Agriculture and Rural Development; Construction; Natural Resources and Environment; Finance; and other relevant ministries and sectors to determine the contribution ratio of emission reductions and greenhouse gas absorption within the City to the national greenhouse gas emission reduction target prior to conducting carbon credit transactions;

b) The City People's Committee shall promulgate the procedures and make decisions on investor selection. Revenue from carbon credit transactions shall constitute 100% of the City's budget revenue; these revenues shall not be used to determine the percentage (%) of revenue shared between the central budget and the City's budget;

c) The City People's Council shall decide on the use of revenue from carbon credit transactions for programs and projects related to climate change response, green economy development, digital economy development, and circular economy development within the City.

## **Article 11. On planning, urban management, natural resources, and environment management**

1. Based on the urban planning project of the City and the functional area construction planning project approved by the Prime Minister, the Prime Minister shall decide on the decentralization for the City People's Committee to approve partial adjustments to the City's urban planning and partial adjustments to functional area construction planning in accordance with the order and procedures prescribed by the Prime Minister, and shall report to the Prime Minister on the implementation results.

2. Conditions for granting time-limited construction permits for public works, including parking structures, parking lots, and public restrooms on land managed by the State, are prescribed as follows:

a) Located in an area with approved and announced sub-zoning planning, sub-zoning construction planning of functional areas, or detailed planning, detailed construction planning of functional areas that have not yet been implemented;

b) The scale of the work complies with construction standards, does not overload infrastructure, ensures urban landscape, ensures safety for the work, adjacent works, and requirements for environmental protection and fire and explosion prevention; ensures technical infrastructure safety; the existence duration of the work shall comply with the implementation schedule of the sub-zoning construction planning, sub-zoning construction planning of functional areas, or detailed planning, detailed construction planning of functional areas approved by competent authorities;

c) Upon expiration of the existence duration stated in the time-limited construction permit, when the construction planning is implemented, or when required by competent state agencies, the investor must demolish the work on their own; if the investor fails to do so, coercive measures shall be applied and the investor shall bear all costs related to coercive enforcement. In cases where the duration stated in the permit expires but the construction planning has not been implemented, the investor may continue using the work until competent authorities notify the requirement for demolition;

d) The City People's Council shall prescribe the authority, order, and procedures for granting time-limited construction permits.

3. The Management Board of the Da Nang Hi-Tech Park and Industrial Parks shall have the authority to appraise, approve, and approve adjustments to tasks and detailed planning projects within the Hi-Tech Park, the centralized information technology zone, and industrial parks; appraise and approve environmental impact assessment reports within the authority of the City People's Committee; issue, reissue, adjust, and revoke environmental permits within the authority of the City People's Committee and district-level People's Committees within the Hi-Tech Park, the centralized information technology zone, and industrial parks.

4. Land recovery for the construction of items and works forming the logistics center shall be carried out in accordance with Article 79 of the Land Law. The order and procedures for preparation of land recovery shall follow the provisions of Clause 5 of this Article. The implementation of land recovery, compensation, support, and resettlement shall comply with the provisions of the land law.

5. The implementation of land recovery preparation for certain projects in the City shall be carried out as follows:

a) For projects involving the construction of industrial parks, hi-tech parks, centralized information technology zones with a scale of over 100 hectares; functional zones within the Da Nang Free Trade Zone, logistics centers, national and local technical infrastructure, transportation, and urban areas with a scale of over 50 hectares falling under cases where the State recovers land according to the land law; independent public investment projects implementing compensation, support, and resettlement prescribed in Clause 1 Article 9 of this Resolution, based on district-level land use planning, annual district-level land use plans, the City People's Council shall promulgate a list of projects permitted to conduct pre-implementation activities of investigation, survey, measurement, inventory, and verification of land origins and assets attached to land in accordance with the order and procedures prescribed in this Clause;

b) Based on the list of projects prescribed at Point a of this Clause, the competent state agency responsible for land recovery as prescribed in the Land Law shall issue a notice organizing the implementation of investigation, survey, measurement, inventory, and verification of land origins and assets attached to land.

The notice on organizing the investigation, survey, measurement, inventory, and verification of land origins and assets attached to land shall be sent to each land user and publicly announced in the mass media and posted at the office of the commune-level People's Committee and common community activity locations of residential areas;

c) Based on the notice prescribed at Point b of this Clause, the organization responsible for compensation and site clearance under the land law shall be permitted to carry out investigation, survey, measurement, inventory, and verification of land origins and assets attached to land before the competent state agency issues the land recovery notice.

Commune-level People's Committees shall coordinate with the organization responsible for compensation and site clearance in implementing investigation, survey, measurement, inventory, and verification of land origins and assets attached to land.

Land users shall have the responsibility to coordinate with the organization responsible for compensation and site clearance in conducting investigation, survey,

and measurement to determine the land area, and to list houses and other assets attached to land to prepare the compensation, support, and resettlement plan;

d) After selecting an investor to implement the project in accordance with the law, or after a public investment project is approved for investment by a competent state agency for the projects specified at Point a Clause 5 of this Article, the competent state agency responsible for land recovery under the Land Law shall issue a land recovery notice and use the results of investigation, survey, measurement, inventory, and verification of land origins and assets attached to land carried out under Points b and c of this Clause to prepare the compensation, support, and resettlement plan.

The preparation, appraisal, approval, and implementation of the compensation, support, and resettlement plan and the land recovery decision shall comply with the provisions of the land law;

e) The City People's Council shall decide on the use of local budget funds to implement the contents prescribed at Point c of this Clause and shall prescribe the order and procedures for implementation under this Clause.

6. An investor currently implementing a domestic solid waste treatment project who voluntarily converts the entire project technology to domestic solid waste treatment with energy recovery shall be considered and decided by the City People's Committee under the method of ordering based on the volume of domestic solid waste. The City People's Council shall promulgate criteria, standards, conditions, norms, unit prices, and ordering prices related to the ordered volume of domestic solid waste, and shall be responsible for ensuring publicity, transparency, rationality, efficiency, and preventing losses, wastefulness, and negative acts.

## **Article 12. Attracting strategic investors**

1. The list of sectors, occupations, and projects prioritized for attracting strategic investors to the City includes:

a) Investment in the construction of innovation centers, data centers, research and development (R&D) centers associated with training; investment in research and support for transferring high technology in the fields of information technology, artificial intelligence (AI) technology; biotechnology, automation technology, new material technology, clean energy with an investment capital scale of VND 2,000 billion or more;

b) Investment in projects in the fields of semiconductor chip technology, semiconductor integrated circuit industry, component manufacturing, integrated electronic microcircuits (IC), flexible electronics (PE), new technology batteries, new materials, defense industry, the list and products of high technology approved by the Prime Minister with an investment capital scale of VND 4,000 billion or more;

c) Investment in the construction and business operation of infrastructure of functional zones within the Da Nang Free Trade Zone according to planning approved by competent authorities, including: commercial-service zones with an

investment capital scale of VND 3,000 billion or more; logistics centers associated with Lien Chieu Seaport with an investment capital scale of VND 3,000 billion or more; production zones with an investment capital scale of VND 3,000 billion or more;

d) Investment in the construction and business operation of inland waterway tourism with an investment capital scale of VND 8,000 billion or more;

e) Investment in the construction of the overall Lien Chieu Seaport terminal project with an investment capital scale of VND 45,000 billion or more.

2. A strategic investor must have a written commitment to comply with the obligations and responsibilities prescribed in Clauses 7 and 8 of this Article; have a written commitment on training and developing human resources, satisfying conditions on national defense, security, and environmental protection as prescribed by Vietnamese law, and must satisfy one of the following conditions:

a) Having charter capital of VND 500 billion or more when implementing an investment project prescribed at Point a Clause 1 of this Article and having experience in investing in a similar field with a total investment of VND 1,000 billion or more;

b) Having charter capital of VND 1,000 billion or more when implementing an investment project prescribed at Points b and c Clause 1 of this Article and having experience in investing in a similar field with a total investment of VND 2,000 billion or more;

c) Having charter capital of VND 2,000 billion or more when implementing an investment project prescribed at Point d Clause 1 of this Article and having experience in investing in a similar field with a total investment of VND 2,000 billion or more;

d) Having charter capital of VND 9,000 billion or more when implementing an investment project prescribed at Point đ Clause 1 of this Article and having experience in investing in a similar field with a total investment of VND 25,000 billion or more.

3. Based on the list of sectors, occupations, and projects prioritized for attracting strategic investors prescribed in Clause 1 of this Article, strategic investors or competent state agencies shall propose investment projects as follows:

a) For investment projects in the fields of artificial intelligence (AI) technology, semiconductor chip technology, and semiconductor integrated circuit industry under Points a and b Clause 1 of this Article that request the State to lease land: the strategic investor shall be leased land by the State without land-use rights auction or investor selection bidding; the competent authority approving investment guidelines shall concurrently approve the investor without land-use rights auction or investor selection bidding. The order and procedures for investment implementation shall

comply with the law on investment. Land pricing and financial obligations shall be determined in accordance with the law on land and relevant legal provisions;

b) For projects prescribed in Clause 1 of this Article that do not fall under the case specified at Point a of this Clause, the competent authority approving investment guidelines shall implement the order and procedures for approving investment guidelines in accordance with the law on investment and the provisions of Clause 4 of this Article.

4. The order and procedures for registering project implementation and selecting strategic investors for projects that do not fall under the case specified in Clause 4 Article 29 of the Law on Investment shall be implemented as follows:

a) Based on the decision approving the investment guidelines of the project prescribed at Point b Clause 3 of this Article, the competent investment registration agency of the City shall publish project information, preliminary requirements on the capacity and experience of investors, and conditions for identifying strategic investors on the National Bidding Network System;

b) Based on the published information prescribed at Point a of this Clause, investors shall prepare and submit project implementation registration dossiers. An investor's project implementation registration dossier includes: a written request for project implementation; documents on the investor's legal status, capacity, and experience; documents proving compliance with the conditions prescribed in Clause 2 of this Article; and other relevant documents (if any);

c) Upon the expiration of the project implementation registration period, the competent investment registration agency of the City shall conduct a preliminary assessment of the capacity and experience of investors that have submitted project implementation registration dossiers. Based on the results of the preliminary assessment of capacity and experience, the person competent to decide on investor selection shall determine the implementation method according to one of the cases prescribed at Points d, đ, and e of this Clause;

d) In cases where only 01 investor registers and meets the preliminary requirements on capacity and experience, or multiple investors register but only 01 investor meets the preliminary requirements on capacity and experience, approval shall be granted to that investor in accordance with the law on investment;

e) In cases where at least 02 investors meet the preliminary requirements on capacity and experience, but only 01 investor is determined to meet the conditions for a strategic investor prescribed in Clause 2 of this Article, approval shall be granted to that strategic investor in accordance with the law on investment;

f) In cases where at least 02 investors meet the preliminary requirements on capacity and experience, and at least 02 investors are determined to meet the conditions for strategic investors prescribed in Clause 2 of this Article, the competent state agency shall apply or choose to apply the law on bidding to select

an investor from among the investors identified as meeting the strategic investor conditions;

g) The City People's Committee shall stipulate details regarding the project information disclosure template for attracting strategic investors, including preliminary requirements on the investor's capacity and experience and dossiers for project implementation registration.

5. Strategic investors shall receive the following incentives:

a) They may include research and development (R&D) expenses deductible for determining taxable income at 150% of the actual R&D expenses when calculating corporate income tax. Actual R&D expenses shall be determined in accordance with the law on accounting;

b) Enjoy preferential customs procedures in accordance with the customs law and preferential tax procedures in accordance with tax law for exported and imported goods of the investment project implemented by the strategic investor in the City when meeting the conditions for applying preferential regimes under customs and tax laws, except for the condition on export and import turnover.

6. Strategic investors implementing projects in the fields of artificial intelligence (AI) technology, semiconductor chip technology, semiconductor integrated circuit industry, information technology, innovation, and research and development associated with training may choose the form of State land lease with one-off land rental payment for the entire lease term. Land pricing and financial obligations when the State leases land with one-off land rental payment for the entire lease term shall comply with the law on land and relevant legal provisions.

7. Strategic investors have the following obligations:

a) Organize the implementation of the project according to the contents prescribed in the investment guidelines approval decision, investor approval decision, or investment registration certificate;

b) Investment projects prescribed at Points a, b, and c Clause 1 of this Article must disburse investment capital within 05 years, and investment projects prescribed at Point d Clause 1 of this Article must disburse investment capital within 07 years from the date of issuance of the investment guidelines approval decision, investor approval decision, or investment registration certificate. During this period, strategic investors may not transfer the project;

c) Investment projects prescribed at Point d Clause 1 of this Article must disburse investment capital within 10 years from the date of handover of land or water surface in the field. Within 10 years from the date of issuance of the investor approval decision, strategic investors may not transfer the project;

d) Provide financial support for vocational training for affected workers in the project area; prioritize the recruitment of local labor to work in the project;

implement commitments on the application and transfer of advanced, new, and high technologies (if any).

8. During the implementation of the investment project, if the strategic investor fails to meet capital requirements, disbursement progress, or other conditions applicable to strategic investors, they shall not be entitled to the incentives prescribed in this Resolution. The investor shall be responsible for any consequences arising from failure to fulfill their commitments in accordance with the law.

### **Article 13. Establishment of the Da Nang Free Trade Zone**

1. Establish the Da Nang Free Trade Zone associated with Lien Chieu Seaport. The Free Trade Zone is a functional area with a defined geographic boundary, established to pilot mechanisms and policies aimed at attracting investment, finance, trade, tourism, and high-quality services.

2. The Da Nang Free Trade Zone shall include functional zones specified in the decision on the establishment of the Da Nang Free Trade Zone issued by the Prime Minister, including production zones, logistics centers, commercial-service zones, and other types of functional zones in accordance with the law. Functional zones within the Da Nang Free Trade Zone shall be separated from surrounding areas by a hard fence to ensure customs inspection, supervision, and control activities by customs authorities, and state management activities in respective sectors by relevant agencies as prescribed by law. Transactions of buying and selling goods between functional zones within the Da Nang Free Trade Zone and areas outside shall be regarded as export and import activities in accordance with customs, tax, and import-export laws.

3. Authority, order, and procedures for establishing the Da Nang Free Trade Zone and functional zones within the Da Nang Free Trade Zone are prescribed as follows:

a) The Prime Minister shall decide on the establishment, adjustment, and expansion of the boundaries of the Da Nang Free Trade Zone. The order and procedures for establishment, adjustment, and expansion of the boundaries of the Da Nang Free Trade Zone shall be implemented in the same manner as those for the establishment, adjustment, and expansion of the boundaries of economic zones in accordance with the law;

b) Based on the decision on the establishment, adjustment, and expansion of the boundaries of the Da Nang Free Trade Zone approved by the Prime Minister, the City People's Committee shall organize the formulation, appraisal, and approval of partial adjustments to the City's general planning within the boundaries of the Da Nang Free Trade Zone to ensure consistency after obtaining written agreement from the Ministry of Construction;

c) The City People's Committee shall approve the investment guidelines for projects involving the construction and business operation of infrastructure of functional zones within the Da Nang Free Trade Zone. The order and procedures for

approving investment guidelines shall be implemented in the same manner as those for approving investment guidelines for projects under the authority of provincial-level People's Committees in accordance with the investment law. During the implementation of the investment guideline approval procedures, the City People's Committee shall decide whether to seek opinions from relevant ministries and sectors and shall decide on the approval of investment guidelines according to its authority.

4. Land policies for the Da Nang Free Trade Zone are prescribed as follows:

a) Land recovery for the construction of items and works forming the Da Nang Free Trade Zone shall be carried out in accordance with Article 79 of the Land Law. The order and procedures for preparing land recovery shall be implemented in accordance with Clause 5 Article 11 of this Resolution. The implementation of land recovery, compensation, support, and resettlement shall comply with the provisions of the land law;

b) In cases where the proposed location of the Da Nang Free Trade Zone has not been identified in the City's land use master plan or annual land use plan, or where there is an adjustment to the approved scale or location, the City People's Committee shall consolidate and submit it to the City People's Council for approval, ensuring that it does not exceed the land use quotas allocated by competent authorities, and shall incorporate it into the district-level annual land use plan; update it into the next planning period of the City's and district-level land use master plans and plans;

c) Investors selected to invest in the construction and business operation of infrastructure of functional zones within the Da Nang Free Trade Zone shall be leased land by the City People's Committee and shall have the same rights and obligations as investors leased land by the State to implement investment projects for the construction and business operation of industrial park infrastructure in accordance with land law;

d) Investors leasing land within functional zones of the Da Nang Free Trade Zone shall have the same rights and obligations as land sub-lessees associated with infrastructure in industrial parks in accordance with land law.

5. Investment incentives within the Da Nang Free Trade Zone are prescribed as follows:

a) The operational duration of investment projects for the construction and business operation of infrastructure of functional zones within the Da Nang Free Trade Zone, and projects of investors leasing land within the Da Nang Free Trade Zone, shall be applied in the same manner as investment projects in economic zones under the investment law;

b) Foreign investors establishing economic organizations within the Da Nang Free Trade Zone are not required to have an investment project and are not required to

obtain or adjust an investment registration certificate prior to establishing an economic organization.

Foreign investors shall follow procedures for establishing economic organizations as applicable to domestic investors under the Law on Enterprises and other relevant laws for each type of economic organization. The business registration authority or other competent authority corresponding to the type of economic organization shall verify compliance with market access conditions applicable to sectors and trades subject to restricted market access for foreign investors under the investment law.

After establishment, the economic organization implementing an investment project shall carry out investment procedures in accordance with the investment law;

c) The level of incentives and the duration of land rental exemption and reduction for investment projects involving the construction and business operation of infrastructure of functional zones within the Da Nang Free Trade Zone shall be applied in the same manner as investment projects involving the construction and business operation of infrastructure of functional zones within economic zones;

d) The level of incentives and the duration of application of corporate income tax incentives for investment projects in the Da Nang Free Trade Zone shall be applied in the same manner as for investment projects in economic zones in accordance with the law;

e) The application of taxes on goods and services purchased, sold, or supplied within functional zones of the Da Nang Free Trade Zone, and between domestic areas or foreign countries and functional zones of the Da Nang Free Trade Zone, shall comply with the regulations on export tax, import tax, value-added tax, and excise tax applicable to non-tariff zones within economic zones;

f) In addition to investment incentives prescribed in this Clause, investment projects within functional zones of the Da Nang Free Trade Zone shall also enjoy investment incentives applicable to investment projects in economic zones under the laws on taxation, land, credit, accounting, and other relevant legal regulations;

g) For investment projects eligible for different levels of investment incentives during the same period, the investor may choose the highest applicable level of incentive.

6. Enterprises with investment projects in functional zones of the Da Nang Free Trade Zone shall enjoy preferential regimes under the customs law for export and import activities within the City when they meet the conditions for applying preferential regimes under customs, tax, financial, and other relevant laws, except for conditions on export and import turnover.

7. Based on the City's budget-balancing capacity and the conformity with relevant planning, the City People's Council shall decide on investment or investment support for the construction of technical infrastructure and social infrastructure works inside and outside the Da Nang Free Trade Zone to promote the formation

and development of production and business activities within the Da Nang Free Trade Zone.

The management, use, and handling of public assets formed from state budget capital within the Da Nang Free Trade Zone shall be implemented in accordance with regulations applicable to industrial parks and functional zones within economic zones.

8. The Management Board of the Da Nang Hi-Tech Park and Industrial Parks shall perform the function of direct state management over the Da Nang Free Trade Zone and shall perform the following tasks and powers:

a) Issuing, adjusting, and revoking investment registration certificates, investment guideline approval decisions, and performing other authorities of the investment registration agency under the investment law for investment projects in the Da Nang Free Trade Zone;

b) Appraising, approving, and approving adjustments to tasks and detailed construction planning projects for construction investment projects under the authority of district-level People's Committees; appraising, approving, and approving adjustments to tasks and detailed construction planning projects and sub-zoning construction planning projects of functional zones under the authority of the City People's Committee within the Da Nang Free Trade Zone. The order and procedures for implementing the contents prescribed in this Point shall be applied in the same manner as the order and procedures for appraisal, approval, and approval of adjustments under the authority of the City People's Committee;

c) Appraising and approving designs, economic-technical reports, feasibility study reports, granting construction permits, and inspecting acceptance testing of construction investment projects under the authority of the ministries managing specialized construction works and the City People's Committee; the order and procedures shall be applied in the same manner as those under the authority of the respective specialized construction management ministries and the City People's Committee for each task;

d) Appraising and approving results of appraisal of environmental impact assessment reports under the authority of the Ministry of Natural Resources and Environment and the City People's Committee within functional zones of the Da Nang Free Trade Zone; the order and procedures shall be applied in the same manner as those under the authority of the Ministry of Natural Resources and Environment and the City People's Committee for each task.

Issuing, reissuing, re-granting, adjusting, and revoking environmental permits under the authority of the Ministry of Natural Resources and Environment, the City People's Committee, and district-level People's Committees within functional zones of the Da Nang Free Trade Zone, with order and procedures applied in the same

manner as those under the authority of the Ministry of Natural Resources and Environment and the City People's Committee corresponding to each task;

e) Issuing, reissuing, extending, and revoking work permits; certifying that foreign workers are not subject to work permit requirements; approving the need to use foreign workers for positions that Vietnamese workers cannot meet in enterprises in functional zones under its management; receiving and processing dossiers for registration of internship contracts of less than 90 days of enterprises in functional zones under its management. The order and procedures for implementing the contents prescribed in this Point shall be applied in the same manner as those under the authority of the City Department of Labor, Invalids and Social Affairs;

f) Issuing certificates of origin for goods produced in functional zones of the Da Nang Free Trade Zone when fully meeting authorization conditions prescribed by the Ministry of Industry and Trade for management boards of industrial parks and economic zones.

9. Responsibilities for state management of ministries, sectors, and the City People's Committee over the Da Nang Free Trade Zone are prescribed as follows:

a) Within the scope of its delegated authority under the law, the Government shall consider and promulgate documents regulating matters not yet provided for in this Article or to address arising inadequacies in the management and development of the Da Nang Free Trade Zone, ensuring publicity, transparency, simplification of administrative procedures, and expansion of decentralization and authorization to the Management Board of the Da Nang Hi-Tech Park and Industrial Parks. Where the matter exceeds its authority, the Government shall submit it to the Standing Committee of the National Assembly for consideration and decision;

b) Ministries, ministerial-level agencies, and agencies under the Government shall be responsible for presiding over and coordinating with the City People's Committee in supervising the decentralization and authorization to the Management Board of the Da Nang Hi-Tech Park and Industrial Parks in performing the tasks and powers prescribed in this Article; directing, guiding, inspecting, and examining matters under their assigned state management functions; resolving matters within their authority or reporting to competent authorities for resolution of issues arising during implementation and monitoring the enforcement of laws within their assigned state management scope;

c) The City People's Committee shall issue regulations on the functions, tasks, powers, and procedures for performing tasks under the authority of the Management Board of the Da Nang Hi-Tech Park and Industrial Parks and supervise the implementation of these regulations. For inadequacies arising during implementation, the City People's Committee shall issue regulations within its authority or report to the Government to promulgate regulations under Point a of this Clause.

10. Other aspects of state management shall be implemented as follows:

a) State management regarding visas, exit, entry, temporary residence, residence of foreigners; fire prevention and fighting; security and order; and social safety shall be implemented in accordance with regulations applicable to industrial parks;

b) State management in the fields of construction planning, environmental protection, and other related fields not provided for in this Article shall be implemented in accordance with regulations applicable to economic zones.

**Article 14. Investment in the development of semiconductor microchips, artificial intelligence, information and communications, science and technology management, and innovation**

1. Support for innovation and startup activities, semiconductor microchips, and artificial intelligence within the City shall be implemented as follows:

a) Enterprise income tax exemption for 05 years from the time taxable income arises for income from innovation startup activities of startup enterprises, semiconductor microchip enterprises, and artificial intelligence enterprises; income from innovation startup support activities of science and technology organizations, Innovation Startup Support Centers, and intermediary organizations supporting innovation startups arising within the City. In cases where enterprises are subject to the global minimum tax, taxes shall be paid in accordance with the applicable regulations;

b) Exemption from personal income tax for individuals and corporate income tax for organizations with income from the transfer of shares, capital contributions, or the right to contribute capital in startup enterprises, semiconductor microchip enterprises, and artificial intelligence enterprises in the City that have not offered securities to the public in accordance with the securities law; the tax exemption period is 05 years from the time the individual or organization makes the capital contribution to the startup enterprise, semiconductor microchip enterprise, or artificial intelligence enterprise in the City;

c) Exemption from personal income tax for 05 years for income from salaries and wages of experts, scientists, talented individuals, individuals engaged in innovation startup activities, and individuals working in the fields of design, manufacturing, packaging, and testing of semiconductor microchips and artificial intelligence working at startup enterprises, science and technology organizations, Innovation Startup Support Centers, intermediary organizations supporting innovation startups, semiconductor microchip enterprises, and artificial intelligence enterprises in the City;

d) Non-refundable support from the City's budget for costs of developing innovation startup projects, including: costs of organizing project selection activities; costs of hiring experts; wages for direct labor; innovation startup support services; costs of using technical facilities, incubators, and co-working spaces;

incubation costs, research and development, technology completion, and pilot production of innovation startup products;

e) The City People's Council shall prescribe priority fields; criteria, conditions, order, procedures, and contents of innovation startup activities, innovation startup support activities, and activities in the fields of design, manufacturing, packaging, and testing of semiconductor microchips and artificial intelligence for the subjects prescribed at Points a, b, and c of this Clause; and prescribe the order, procedures, conditions, quantity, contents, and levels of support prescribed at Point d of this Clause.

2. Controlled testing of new technological solutions is prescribed as follows:

a) The City People's Committee shall decide on time-limited controlled testing for new technologies, products, services, and business models in the Hi-Tech Park, the Centralized Information Technology Zone, the Innovation Startup Support Center, and innovation spaces invested by the City's budget;

b) The maximum duration of controlled testing is 03 years and may be extended once for no more than 03 additional years;

c) Ministries and ministerial-level agencies shall be responsible for providing opinions on the contents for which the City People's Committee requests consultation;

d) The City People's Council shall prescribe details on criteria, conditions for selection, and the order and procedures for registration, appraisal, and licensing for the implementation of controlled testing.

a) Provide guidance, control, and supervision over the testing process; determine the rights, obligations, and responsibilities of agencies, organizations, and individuals during the controlled testing process; and decide on the agency responsible for guidance and control of the testing process;

b) When necessary, consult ministries and ministerial-level agencies responsible for state management in the sectors and fields related to the testing content regarding the subjects and scope of the proposed controlled testing and issues arising during the testing process;

c) Annually report to the Government and the City People's Council on the status and results of the controlled testing contents under its decision.

4. The agency guiding and controlling the testing process shall have the following powers and responsibilities:

a) Advise on the formulation, supplementation, and adjustment of guidelines for the implementation of laws applicable to testing activities;

b) Issue licenses and promulgate separate testing regulations for each technology, product, service, or new business model permitted for testing;

c) Conduct regular and ad-hoc inspections of the testing; evaluate the application of risk control measures by organizations and enterprises conducting the testing;

promptly detect and prevent risks of abuse or exceeding control limits during the testing process;

d) Require organizations and enterprises conducting the testing to report and explain arising issues; require additional risk control measures; require temporary suspension of testing; or propose the City People's Committee decide on the termination, extension, narrowing, or expansion of the testing scope;

e) Report to the City People's Committee on the testing process annually or extraordinarily upon request; report on testing results and propose appropriate management mechanisms corresponding to testing outcomes at the conclusion of the testing period or when the benefits, risks, and management requirements for the tested technology, product, service, or business model have been clarified during the testing process.

5. Organizations, enterprises, and individuals conducting controlled testing, as well as the guiding and supervising agencies and personnel, shall be exempt from administrative liability and disciplinary liability; and shall be exempt from civil liability in cases where damage is caused to the State during the controlled testing process due to objective reasons, despite full compliance with testing procedures and regulations. In cases where damage is caused to other organizations or individuals, the organization, enterprise, or individual conducting the testing shall be responsible for compensation in accordance with the law and may be considered by the City People's Council for partial financial support for compensation from the City budget, based on the nature and extent of the damage and the City's budget-balancing capacity.

In cases where the agency guiding and controlling the testing process and the person guiding and controlling the testing process were aware of risks to the testing process but failed to take appropriate measures to prevent or mitigate the extent of possible damage, or where the testing organization, enterprise, or individual was aware of risks but failed to promptly inform or report to the competent state agency and did not take appropriate measures to prevent or mitigate potential damage, they shall not be exempt from liability as prescribed in this Clause.

6. Regulations on investment, management, operation, and handling of scientific and technological infrastructure assets serving innovation startups:

a) Innovation spaces, co-working spaces, physical-technical facilities of incubators and shared technical equipment, research and development equipment, office equipment, and information technology infrastructure to support projects and innovation startup enterprises invested from the City's budget are considered scientific and technological infrastructure assets;

b) The City People's Council shall decide that organizations and individuals engaged in innovation startups and organizations and individuals supporting

innovation startups may directly lease scientific and technological infrastructure assets without going through an auction for operation.

The City People's Council shall prescribe the subjects and criteria eligible to directly lease scientific and technological infrastructure assets without going through an auction for operation;

c) The City People's Council shall prescribe the contents and levels of support, support period, eligible beneficiaries, and the order and procedures for providing financial support from the City budget to entities using scientific and technological infrastructure assets;

d) The City People's Council shall decide on investment, upgrading, expansion, development, and exploitation of scientific and technological infrastructure assets from the City budget.

The City People's Council shall prescribe details on forms, order, and procedures for allocation and handling of scientific and technological infrastructure assets;

e) The City People's Committee is the state management agency for scientific and technological infrastructure assets; it shall decide on the allocation of scientific and technological infrastructure assets to assigned units; approve schemes for management, exploitation, and handling of scientific and technological infrastructure assets.

Entities assigned scientific and technological infrastructure assets include: public service units under the City Department of Science and Technology, the Management Board of the Da Nang Hi-Tech Park and Industrial Parks.

7. Mechanisms and policies for developing the semiconductor microchip and artificial intelligence sectors:

a) The City People's Council may decide on investment, upgrading, expansion, development, and exploitation of information infrastructure assets from the City budget to serve the attraction of investment and the development of semiconductor microchips and artificial intelligence; prescribe details on forms, order, and procedures for asset allocation; receiving units; asset exploitation; mechanisms for managing and using revenue derived from asset exploitation; and handling of information infrastructure assets;

b) The City People's Council shall decide on direct leasing of information infrastructure assets without auction to strategic partners in the fields of semiconductor microchips and artificial intelligence; shall be permitted to implement contractor appointment for procurement of specialized equipment from strategic partners in the fields of semiconductor microchips and artificial intelligence; shall prescribe preferential policies, contents and levels of support, eligible beneficiaries, and procedures for support in the use of information infrastructure assets to serve the development of the semiconductor microchip and artificial intelligence sectors;

c) Based on the City's budget-balancing capacity, the City People's Council shall consider and decide on support from the City budget for strategic investors and strategic partners in the semiconductor microchip and artificial intelligence sectors, not exceeding 5% of the total cost of purchasing equipment supporting production, costs of asset relocation, production lines, equipment, technology, and costs for new investment projects; and support part of the cost of hiring highly specialized personnel working at enterprises that are strategic partners in the semiconductor microchip and artificial intelligence sectors in the City; and shall prescribe the procedures for implementing such support;

d) The City People's Council shall decide on programs and projects that receive City budget support for training and fostering individuals specializing in semiconductor microchips and artificial intelligence; shall prescribe criteria and standards for recruitment and support policies on remuneration and accommodation expenses for experts and scientists working in the semiconductor microchip and artificial intelligence sectors in the City;

e) The City People's Committee is the state management agency for information infrastructure assets; shall decide on allocating information infrastructure assets to the assigned units; and shall approve schemes for managing, exploiting, and handling information infrastructure assets;

f) The City People's Council shall be responsible for decisions on mechanisms and policies supporting strategic investors and strategic partners in the semiconductor microchip and artificial intelligence sectors prescribed in this Clause, ensuring effectiveness, publicity, and transparency.

#### **Article 15. Salary and income policies**

1. The City shall implement the mechanism for generating resources for salary reform in accordance with regulations. After ensuring that the City's budget provides sufficient resources for salary reform and social security policies for the entire budget stabilization period as prescribed by competent authorities, the City People's Council shall decide to allocate the City's budget to provide additional income for officials, public employees, and civil servants under the City's management based on work performance, in addition to the additional income provided under existing laws on financial autonomy mechanisms applicable to administrative agencies and public service units, with a level not exceeding 0.8 times the basic salary fund of officials, public employees, and civil servants under its management.

2. The City People's Council shall decide on income levels for experts, scientists, and talented individuals of the City.

### **Chapter IV**

#### **IMPLEMENTATION AND ENFORCEMENT PROVISIONS**

#### **Article 16. Implementation**

1. The Government shall have the following responsibilities:

a) Organize the implementation of this Resolution; direct relevant agencies to coordinate with local authorities in the City to reform administrative procedures and shorten the processing time for matters not yet decentralized or delegated to the City;

b) Direct and guide the implementation of urban government organization and the pilot implementation of certain specific mechanisms and policies for the City as prescribed in this Resolution; promptly resolve difficulties and obstacles in the process of addressing violations as concluded by competent authorities, especially in the field of land;

c) Promulgate a Decree detailing the organization and operation of district-level People's Committees and the responsibility regime of district-level People's Committee Chairpersons; the organization and operation of ward-level People's Committees and the responsibility regime of ward-level People's Committee Chairpersons; the election, recruitment, management, and use of civil servants working at district-level People's Committees and officials and civil servants working at wards and communes; and the formulation, execution, and settlement of district and ward budgets;

d) Submit to the Standing Committee of the National Assembly and the National Assembly for consideration and decision, within their competence, on issues arising during the pilot implementation;

e) Conduct a preliminary review of the pilot implementation of specific mechanisms and policies applied to the City and report to the National Assembly at its year-end session in 2027; conduct a comprehensive review of the pilot implementation of specific mechanisms and policies applied to the City and report to the National Assembly at its year-end session in 2029;

f) Promptly promulgate mechanisms and policies within its authority to amend and supplement relevant provisions to resolve arising inadequacies in the practical management and development of the City.

2. The City People's Council, the City People's Committee, and the Chairperson of the City People's Committee, within their assigned tasks and powers, shall have the following responsibilities:

a) Organize the implementation of this Resolution and other relevant legal provisions;

b) Promulgate regulations to implement urban government organization and pilot specific mechanisms and policies as prescribed in this Resolution and as guided by the Government; carry out specific decentralization and delegation to local governments at district and ward levels in conformity with urban management organization and the practical capacity of each locality;

c) Conduct preliminary and final reviews of the pilot implementation of the specific mechanisms and policies prescribed in this Resolution and report to the Government as prescribed in Clause 1 of this Article;

d) The City People's Council shall supervise the implementation of this Resolution in accordance with the law;

e) For issues with contents not yet provided in laws or resolutions of the National Assembly, in order to meet urgent requirements in attracting strategic investors and mobilizing domestic and foreign resources for socio-economic development investment, the City People's Committee shall report to the Government for submission to competent authorities for mechanisms and policies to be submitted to the National Assembly for consideration and decision; during the interval between two sessions, submission shall be made to the Standing Committee of the National Assembly for consideration and decision and reported to the National Assembly at its nearest session.

The formulation and promulgation of documents detailing the policies prescribed in this Point shall be carried out under simplified procedures.

3. The National Assembly, the Standing Committee of the National Assembly, the Vietnam Fatherland Front, the Ethnic Council, the Committees of the National Assembly, the Delegation of National Assembly Deputies of the City, and National Assembly deputies, within their tasks and powers, shall supervise the implementation of this Resolution.

#### **Article 17. Enforcement Provisions**

1. This Resolution takes effect from January 1, 2025.

National Assembly Resolution No. 119/2020/QH14 dated June 19, 2020, on the pilot implementation of the urban government model and certain specific mechanisms and policies for the development of Da Nang City, shall cease to be effective from the effective date of this Resolution.

2. The pilot implementation period for specific mechanisms and policies for the development of the City prescribed in Chapter III of this Resolution is 05 years.

After the pilot implementation period ends, the continuation of specific mechanisms and policies for the development of the City prescribed in Chapter III of this Resolution shall be implemented as follows:

a) Policies, projects, and other subjects that have been approved by competent authorities for implementation under the mechanisms and policies prescribed in this Resolution but have not yet been completed shall continue to be implemented in accordance with the issued decisions;

b) If the tax exemption period for the subjects prescribed in Points a, b, and c Clause 1 Article 14 of this Resolution has not expired, it shall continue until the end of the exemption period.

3. Projects prescribed in Articles 12 and 13 of this Resolution that have been approved for investment guidelines or investor approval or granted investment registration certificates during the validity period of the pilot policies prescribed in Chapter III of this Resolution shall be entitled to investment incentives under

Articles 12 and 13 of this Resolution until the end of the project implementation period.

4. In case there are differing provisions on the same issue between this Resolution and laws or other resolutions of the National Assembly promulgated before the effective date of this Resolution, the provisions of this Resolution shall apply. If a legal document promulgated after the effective date of this Resolution provides mechanisms or policies that are more preferential or favorable than this Resolution, the application shall be decided by the City People's Council.

**Article 18. Transitional Provisions**

Legal documents of local governments at district and ward levels issued before July 1, 2021, shall continue to apply if they have not been replaced or annulled by competent authorities.

In cases where resolutions of district-level People's Councils and resolutions of ward-level People's Councils issued before July 1, 2021, are no longer appropriate, the City People's Council shall annul such resolutions of district-level People's Councils and resolutions of ward-level People's Councils.

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*This Resolution was adopted by the National Assembly of the Socialist Republic of Viet Nam, the XV Legislature, at its 7<sup>th</sup> session on June 26, 2024.*

**CHAIRMAN OF THE NATIONAL ASSEMBLY**

(Signed and sealed)

**Tran Thanh Man**