

Incentive measures

1. Tax incentives:

a. Business income tax

- The period of 4 years exemption for business income tax after the 1st taxable income; then 9 years at 50% tax reduction; 10% tax in 15 years from the establishment, then tax is 28%.

b. Value Added Tax (VAT)

- Software products and software services which are consumed in Vietnam shall not have to be paid VAT.
- Export software products and software services which are applied by VAT is 0%.

c. High personal income tax

- Vietnam citizens and Vietnamese overseas who work or invest in Quang Trung Software City will enjoy incentives in personal income tax exemption or tax reduction equally with the amount that must be paid by foreigners with equal level of income.

d. Import and Export Tax

- Tax exemption for imported material used in software production which cannot be produced in domestic yet.
- If the imported material which cannot be produced in domestic yet used for software production is exempted import tax, it will also be exempted import VAT.
- Tax exemption for export software products.

2. Incentives in using Land:

- Investors (included local investors and foreign investors) who lease land from Quang Trung Software City Development Company directly are applied one price policy.
- Investors have the right of putting land-use-right and assets related to land to pledge as collateral during the project lifetime as well as the duration of land sublease at credit institutions legally operating in Vietnam.
- Investors in R&D projects in hi-tech industry or training high level human resources and hi-tech skilled workforce will enjoy land rental exemption in accordance with regulations issued by The Government.

3. Capital, credit and guaranty:

- Investment under the Law on Encouragement of Domestic Investment will be considered for loans from the Investment Development Fund in medium / long term at favorable interest rates as well as obtaining loan guarantee, benefiting from post-investment soft rate as currently regulated.

- These investments enjoy incentive in export credit support from the Government when exporting directly and will be entitled to export awards in accordance with the official regulations.

4. 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, purchase or rent houses in Quang Trung Software City as regulated.

5. The direct International gateway 16Mbps Internet line with QTSC's own firewall is build on the digital optical fiber backbone and a full range of ports and bandwidth provided shall be compliance with the capacity stated in the lease.

6. Competitive prices:

- Upgraded and made available with electricity, water supply, air-conditioning system and internet access.
- Software and software service enterprises can own or rent land with the preference prices. 15USD/m² for long term use with one time payment and 0,15USD/m²/year for physical infrastructure maintenance; 0,4USD/m²/year for land lease of 50 years in maximum and also make payment 0,15USD/m²/year for physical infrastructure maintenance.
- Connection to Internet line of 64 Kbps, 128 Kbps, ... , E1, T1, Frame Relay, ... or LAN with multi-services and preferential prices and other added services as per requests.
- Electricity : 1.091,107 Vietnam dong per 1kw
- Water : 6.000 Vietnam dong for 1m³

7. Basic infrastructure such as grid line, water supply and drainage system shall be developed by the municipal government.

8. QTSC is the safe place to **Copyright protection** for software products.

9. Not Software production and services but IT training and development organizations can enjoy the incentives as similarly applied to software enterprises.

10. One-stop service:

Quang Trung Software City Development Company provide free of charge services to the investors in the process of business establishment, obtaining investment licenses, import-export services, procedures of land provision and land lease, constructions permit, multiple – entry visa, extension of visa and some other supports.