



RESOLUTION 98/2023/QH15

On 24 June 2023, the National Assembly passed Resolution No. 98/2023/QH15 ("**Resolution 98**") on the specific pilot mechanisms, policies for the development of Ho Chi Minh City ("**City**"), to be effective from 1st August 2023. Resolution 98 stipulates 44 specific mechanisms, policies in 07 fields:

1. Investment Management

2. State Finance and Budget

3. Urban, Natural Resources and Environment Management

4. Prioritised Business Lines for Attracting Strategic Investors

5. Science & Technology Management, Innovations

6. City Organisational Structure

7. Thu Duc City Organisational Structure





1. Regulations On The Investment Management

- Public investment capital is allocated to support poverty reduction and creating jobs:
 - The City People's Council shall decide the criteria, conditions, levels, contents, form and time of support;
 - The City People's Council shall assign The City People's Committee to entrust the task of funding public investment capital to the Bank for Social Policies.
- Piloting the program of urban planning following Transit-Oriented Development (TOD)
- The City People's Committee shall organize a bid to select eligible investors for the land-using project(s) as below:
 - On the list of projects, which are in need of land acquisition for socio-economic development for the national and public interest;
 - There is a land area managed by the State, which is in the area of project implementation. This area shall be not subject to the procedure of real estate re-organisation according to regulations on management and use of public assets;
 - The land of which site-clearance has not yet been made.
- Applying public-private partnership investment method (PPP) for the projects in sports and culture sector.
- Applying BOT contract for the project of upgrading, expanding and modernising existing road works.
- The City is entitled to apply BT contract and payments thereof shall be made by the City budget.





2. Regulations On The State Finance And Budget

- The City People's Council has the right to decide, adjust the rate of fees and charge not specified in the Law on Fees and Charges; the additional revenue will be 100% contributed to The City Budget.
- The unallocated amount of the budget for salary reform is used to invest in the development of socio-economic infrastructure, increase investment spending, procurement, professional activities, and pay more wages for state administrative agencies, political organizations, socio-political organizations, public non-business units.
- Using the State budget to implement regional or inter-regional road traffic projects and works.
- Allocating revenue from equitization of 100% State-owned companies represented by the City People's Committee to increase charter capital of Ho Chi Minh City Finance and Investment State-Owned Company (HIFC). [HIFC is a one-member limited liability company with 100% state capital and acts as a local development investment fund. The City People's Council is entitled to allocate public capital from the State budget to provide interest rate subsidies to projects that receive loans from HIFC.]
- Deciding to charge for maintenance and re-construction of infrastructure of industrial parks and export processing zones from enterprises locating in these areas.
- Piloting financial mechanisms for implementation of measures to reduce greenhouse gas emissions under carbon credit exchange and offset mechanisms between programs and projects invested from the capital of the City's budget and projects of domestic/international investors.
- Deciding to install solar power systems on state agencies' rooftops.



3. Urban And Natural Resources And Environment Management

- Be entitled to change the purpose of land use from land for rice cultivation to other purposes in case its area is under 500ha.
- To approve local area adjustments, general planning on construction of functional areas, local area adjustments of urban general planning and specialized planning on technical infrastructure.
- Land for social housing development includes:
 - The residential land area in a commercial housing construction investment project, which must be left for social housing construction in accordance with law;
 - Land allocated by the State;
 - Land leased by the State;
 - Land which belongs to lawful use rights of organizations, households and individuals.
- To develop and issue coefficients of adjustment on land price in accordance with the actual situation of the City.
- To acquire land managed by the State in case of reorganization and disposal of public assets identified in the BT contract.
- Economic organizations that are leased land by the State with annual land rent collection are allowed by the City to mortgage, transfer or lease the LEASE RIGHTS in the land lease contract.
- The City shall carry out procedures for land allocation and land lease for the land area formed after sea reclamation.
- To encourage individuals, households, cooperatives and enterprises to use clean energy and reduce environmental pollution.
- If investors of domestic solid waste treatment projects voluntarily convert their current technologies to all technologies with energy recovery, they will receive an increase in the volume of domestic solid waste in form of ordering in accordance with the consideration and decision of the City People's Committee.





4. Regulations On Prioritised Business Line For Attracting Strategic Investors To The City

- The City is entitled to attract strategic investor(s) in the following prioritised projects:
 - Investment in construction of innovation centers, research and development centers; investment in research and support of high technology transfer in the fields of information technology, biotechnology, automation technology, new material technology, clean energy with an investment capital of at least VND 3,000 billion;
 - Investment in projects in the field of semiconductor integrated circuit industry, design technology, component manufacturing, integrated electronic circuit (IC), flexible electronics (PE), chip, new battery technology, new materials, clean energy industry with an investment capital of at least VND 30,000 billion;
 - Investment in the construction project of Can Gio international trans-shipment port according to the master plan with an investment capital of at least VND 50,000 billion.
- Regulating special conditions which must be satisfied by a strategic investor, procedures, dossiers for registering project implementation and selecting a strategic investor.





5. Science And Technology Management And Innovation

- In order to support innovation and start-up activities, some subjects will be exempted from corporate income tax and personal income tax.
- The City People's Council shall decide what are prioritised sectors; criteria, conditions, contents of innovation and start-up activities; criteria, sectors experimented on new technological resolutions; and supported contents and level.
- The City People's Council shall decide salary, wages, welfare regimes and other preferential policies applied to management positions in public science and technology organizations.





6. Regulations On Organizational Structure Of The City

- Establishing the Department of Food Safety being a specialized agency under the City People's Committee on the basis of transferring the function of state management from the Department of Health, the Department of Agriculture and Rural Development, the Department of Industry and Trade.
- Deciding the number of vice chairperson of the communal People's district and communal.
- Chairman of the People's Committee of the City shall authorise the head of administrative agencies, public non-business unit under the People's Committee to perform one or several tasks.
- The City People's Council shall decide:
 - The structure and number of officers; the number, title, and policy regime of non-professional officers.
 - To allocate the State budget to pay extra income for officers.
 - The level of income paid for professionals, scientists, special talents.
- The City People's Committee shall decide:
 - To establish, restructure, dissolve public non-business units of the City People's Committee.
 - To transfer some functions, tasks and powers of the specialized agencies of the City People's Committee to other professional agencies and administrative agencies.
- The Hi-tech Park Management Board and the Management Board of Industrial Zones and Export Processing Zones are entitled to evaluate, approve and approve adjustments on tasks and 1/500 detailed construction planning projects.



7. Regulations On Organizational Structure Of Thu Duc City

- Thu Duc City People's Committee is entitled to:
 - Assign specialized agencies under their management to evaluate investment policies and project approval decisions.
 - Approve projects, select investors and sign contracts concerning Group B and C projects.
 - Assign specialized agencies to evaluate and submit to Thu Duc City People's Committee for approval of investment policies for projects of domestic investors using non-budget capital; approve and adjust planning tasks and projects; approve projects using public assets such as houses and land for the purposes of leasing, joint venture and association in Thu Duc City.
 - Perform tasks of funding science and technology research.
- Thu Duc City People's Committee, Chairperson of Thu Duc City People's Committee, are entitled to devolve and authorize individuals and organizations to perform several tasks under their authorities.
- Thu Duc City People's Committee shall decide structure, number, functions and missions of the professional divisions, departments and units under Thu Duc City.
- The City People's Committee shall consider and decide to establish and regulate the functions, missions and organizational structure of the Construction Inspectors and the Land Fund Development Center under the People's Committee of Thu Duc City.
- Thu Duc City People's Council shall decide to establish Urban Committee under the People's Council of Thu Duc City and will have no more than 02 Vice Presidents and no more than 08 full-time delegates. The People's Committee of Thu Duc City has no more than 04 Vice Chairmans.
- Regulations on position allowances for the leading positions of Party, union and government agencies of Thu Duc City.





Resolution 98 is expected to create an effective legal basis to promote potentials, advantages, create breakthroughs, solve bottlenecks in the City's socio-economic development, contribute to building and development of the City to 2030 with a vision to 2045.

Currently, the Government and relevant ministries and sectors are urgently drafting and promulgating detailed regulations to implement Resolution 98 no later than August 15, 2023.

We hope this Legal Update will bring useful information to Clients and readers. For specific advice and more detailed information, please contact us via the contact information listed at the end of this Legal Update.

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