

THE PRESIDENT

**Order No. 03/2013/L-CTN of June 28, 2013, on the promulgation of law**

THE PRESIDENT OF THE SOCIALIST REPUBLIC OF VIETNAM

*Pursuant to Articles 103 and 106 of the 1992 Constitution of the Socialist Republic of Vietnam, which was amended and supplemented under Resolution No. 51/2001/QH10 of December 25, 2001, of the X<sup>th</sup> National Assembly, the 10<sup>th</sup> session;*

*Pursuant to Article 91 of the Law on Organization of the National Assembly;*

*Pursuant to Article 57 of the Law on Promulgation of Legal Documents,*

PROMULGATES:

the Law on Science and Technology,

which was passed on June 18, 2013, by the XIII<sup>th</sup> National Assembly of the Socialist Republic of Vietnam at its 5<sup>th</sup> session.

President of the Socialist Republic of Vietnam

TRUONG TAN SANG

**Law on Science and Technology**

(No. 29/2013/QH13)

*Pursuant to the 1992 Constitution of the Socialist Republic of Vietnam, which was amended and supplemented under Resolution No. 51/2001/QH10;*

*The National Assembly promulgates the Law on Science and Technology.*

**Chapter I**

**GENERAL PROVISIONS**

**Article 1.** Scope of regulation

This Law provides organizations and individuals engaged in scientific and technological activities; organization of performance of scientific and technological activities; measures to assure the development of science and technology; and the state management of science and technology.

**Article 2.** Subjects of application

This Law applies organizations and to individuals engaged in scientific and technological activities in Vietnam.

**Article 3.** Interpretation of terms

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

1. *Science* means a system of knowledge about the nature and laws of existence and development of natural objects and phenomena, society and thought.
2. *Technology* means technical solutions, processes and know-hows, whether or not accompanied by tools and means, to turn resources into products.
3. *Scientific and technological activities* means scientific research, technological research, experimental development, technological development and application, provision of scientific and technological services, promotion of initiative and other creative activities aimed to develop science and technology.
4. *Scientific research* means activities of discovering, identifying and inquiring into the nature and laws of natural objects and phenomena, society and thought; and creating solutions for practical application.
5. *Basic research* means research activities aimed to discover the nature and laws of natural objects and phenomena, society and thought.
6. *Applied research* means activities of studying and applying scientific research results aimed to create new technologies or renew technologies that benefit humans and the society.
7. *Technological development* means activities of using basic research and applied research results, through experimental development and trial production, to improve existing technologies or create new technologies.
8. *Experimental development* means activities of applying results of scientific research and technological development in order to create new technological products as prototypes.
9. *Trial production* means activities of applying results of experimental development to trial production in order to improve new technologies or new products before putting them into production and life.
10. *Scientific and technological services* means activities of providing technical services or assistance for scientific research and technological development; activities related to intellectual property, technology transfer, technical standardization and regulation, measurement, product and goods quality, radiation and nuclear safety, and atomic energy; services of information, consultancy, training and retraining, popularization and application of scientific and technological achievements in socio-economic sectors.
11. *Science and technology organizations* means those having the main function of conducting scientific research, technological research and

development or providing scientific and technological services, and established and registering their operation in accordance with law.

12. *Science and technology workers* means persons who conduct scientific and technological activities.

13. *Scientific and technological tasks* means scientific and technological issues which need to be solved to meet practical requirements of the socio-economic development, national defense and security and science and technology development.

14. *Placement of orders for performance of scientific and technological tasks* means that order-placing parties set forth requirements for scientific and technological products and provide funds for science and technology organizations and individuals to create scientific and technological products under contracts.

15. *Science and technology development infrastructure* means physical-technical foundations of science and technology organizations; the system of measurement standards and key laboratories; hi-tech parks, hi-tech agricultural zones, technology incubators and science and technology enterprise incubators; and scientific and technological information and statistics infrastructure.

16. *Innovation* means the creation and application of scientific and technological achievements and solutions and management solutions in order to improve socio-economic development efficiency, and increase productivity, quality and added value of products and goods.

#### **Article 4.** Tasks of scientific and technological activities

1. To build up Vietnam's theories on socialism and the path to socialism; to lay down scientific grounds for the elaboration of lines, policies and laws on socio-economic development and national defense and security assurance; to contribute to the building of advanced education and new-style Vietnamese; to inherit and bring into play the national traditional historical and cultural values, absorb the cultural quintessence of the mankind and contribute to the world's cultural and scientific treasure.

2. To improve scientific and technological capacity so as to master advanced and high technologies as well as advanced managerial measures; to rationally use natural resources, and protect the environment and people's health; to promptly forecast, prevent, combat, minimize and overcome consequences of natural disasters.

3. To absorb the world's scientific and technological achievements in order to create and efficiently apply new technologies; to create new products of high competitiveness; to develop Vietnam's science and technology to reach the

advanced level in the region and approach the world's level, serving as a firm foundation for the development of modern industries; and to boost the popularization and application of scientific and technological achievements to production and life.

**Article 5.** Principles of scientific and technological activities

1. Scientific and technological activities must stem from practical demands, serve the socio-economic development, assurance of national defense and security and science and technology development;
2. The building and promotion of domestic scientific and technological capacity must be combined with the selective absorption of the world's scientific and technological achievements suitable to Vietnam's practical conditions;
3. Freedom of creativity is guaranteed and democracy is promoted in scientific and technological activities;
4. Scientific and technological activities must be honest and objective, upholding the professional ethics, autonomy and self-responsibility.
5. Scientific and technological activities must assure human life and health and protect the environment.

**Article 6.** The State's policies on science and technology development

The State implements the following policies to ensure that science and technology development is a primary national policy:

1. Prioritizing and concentrating all national resources on science and technology development; applying synchronously incentive mechanisms and measures to bring into play the key and motivating role of science and technology in socio-economic development, national defense and security assurance and improvement of people's living standards;
2. Synchronously developing social sciences and humanities, natural sciences, technical sciences and technologies; combining science and technology development with socio-economic development and national defense and security assurance; creating prerequisites for the formation and development of a knowledge-based economy.
3. Intensifying the research and application of advanced and modern scientific and technological achievements, researching, mastering and creating new technologies in order to raise the technological level and competitiveness of products.
4. Concentrating investment in building physical-technical foundations, attaching importance to prioritized and key fields of science and technology; applying special preferential mechanisms and policies for development,

training, attraction and effective use of human resources in science and technology.

5. Facilitating the development of the science and technology market.

6. Encouraging and creating favorable conditions for enterprises to invest in scientific and technological activities, technology renewal and technological level raising.

7. Encouraging and creating conditions for science and technology societies, socio-political organizations, social organizations and socio-professional organizations to provide consultancy, criticisms and social assessment and engage in scientific and technological activities.

8. Proactively and actively engaging in international integration in science and technology; heightening the country's profile in science and technology in the region and the world.

#### **Article 7.** Vietnam's Science and Technology Day

The 18<sup>th</sup> of May every year is Vietnam's Science and Technology Day.

#### **Article 8.** Prohibited acts

1. Taking advantage of scientific and technological activities to infringe upon the interests of the State, rights and legitimate interests of organizations and individuals, cause damage to natural resources, the environment and human health; and act against the morality and fine traditions and customs of the nation.

2. Infringing upon intellectual property rights; appropriating, illegally assigning or transferring scientific and technological results.

3. Disclosing scientific and technological documents and results on the list of state secrets; committing deceits or forgery in scientific and technological activities.

4. Obstructing lawful scientific and technological activities of organizations and individuals.

### **Chapter II**

## **SCIENCE AND TECHNOLOGY ORGANIZATIONS**

### **Section 1**

#### **ESTABLISHMENT, RIGHTS AND OBLIGATIONS OF SCIENCE AND TECHNOLOGY ORGANIZATIONS**

**Article 9.** Forms and classification of science and technology organizations

1. Forms of science and technology organizations are specified as follows:

- a/ Scientific research organizations and scientific research and technological development organizations organized in the form of academies, institutes, centers, laboratories, research stations, observatories, testing stations and other forms specified by the Minister of Science and Technology;
- b/ Tertiary education institutions organized in accordance with the Law on Higher Education;
- c/ Scientific and technological service organizations organized in the form of centers, offices, testing chambers and other forms specified by the Minister of Science and Technology.

2. Science and technology organizations are classified as follows:

- a/ Into the types specified in Clause 1, Article 12 of this Law, by establishing competence;
- b/ Into basic research organizations, applied research organizations and scientific and technological service organizations, by function;
- c/ Into public science and technology organizations, non-public science and technology organizations and foreign-invested science and technology organizations, by ownership form.

**Article 10.** Master plan on the network of public science and technology organizations

1. Based on the socio-economic development and national defense and security assurance tasks and the national science and technology development strategy, the Ministry of Science and Technology shall assume the prime responsibility for, and coordinate with ministries, ministerial-level, government-attached agencies, provincial-level People's Committees and other state agencies in, elaborating and submitting to the Prime Minister for approval a master plan on the network of public science and technology organizations.

2. The elaboration of the master plan on the network of public science and technology organizations must adhere to the following principles:

- a/ Planning the network of science and technology organizations to be uniform and synchronous and rationally distributed, meeting requirements of science and technology development, socio-economic development and national defense and security assurance;
- b/ Linking science and technology organizations with training institutions and organizations applying scientific research and technological development results;
- c/ Ensuring the achievement of the objective of raising national scientific and technological capacity, attaching importance to the fields of science and

technology directly servicing socio-economic development, national defense and security;

d/ Ensuring the efficient use of the State's resources, further socializing investment in science and technology development, especially in prioritized and key fields of science and technology.

**Article 11.** Conditions on establishment and registration of operation of science and technology organizations

1. A science and technology organization may be established when the following conditions are fully satisfied:

a/ Having an organization and operation charter and operation objectives and orientations in accordance with law;

b/ Having science and technology personnel and physical-technical foundations meeting requirements of the achievement of the set objectives and orientations and the implementation of the organization and operation charter.

2. In addition to the provisions of Clause 1 of this Article, the establishment of a public science and technology organization must conform to the master plan on the network of science and technology organizations and appraisal opinions of the state management agency in charge of science and technology as decentralized by the Government.

In case the Ministry of Science and Technology establishes an attached science and technology organization, the Minister of Science and Technology shall set up an inter-sectoral council to appraise the establishment.

3. The establishment of a foreign-invested science and technology organization must comply with the provision of Clause 1 of this Article and satisfy the following requirements:

a/ Its operation objectives, contents and fields conform to Vietnam's laws and satisfy requirements of scientific and technological and socio-economic development of the country;

b/ Its establishment is permitted by the Minister of Science and Technology;

c/ It is permitted by the provincial-level People's Committee to open its working office in the locality.

4. Science and technology organizations shall register their operation with competent state management agencies in charge of science and technology and obtain scientific and technological operation registration certificates.

5. The Government shall specify the conditions on establishment, competence, order and procedures for registration of operation of science and technology organizations.

**Article 12.** Competence, order and procedures for establishment, merger, division, splitting or dissolution of science and technology organizations

1. The competence to establish science and technology organizations is provided as follows:

a/ The National Assembly and the National Assembly Standing Committee may establish their attached science and technology organizations;

b/ The Government may establish its attached science and technology organizations;

c/ The Supreme People's Court may establish its attached science and technology organizations;

d/ The Supreme People's Procuracy may establish its attached science and technology organizations;

dd/ The Prime Minister may establish or authorize ministers, heads of ministerial-level agencies or heads of government-attached agencies to establish science and technology organizations attached to ministries, ministerial-level agencies or government-attached agencies;

e/ Ministers, heads of ministerial-level agencies and heads of government-attached agencies may establish science and technology organizations attached to their ministries, ministerial-level agencies or government-attached agencies, except those specified at Point dd of this Clause;

g/ Provincial-level People's Committees may establish local science and technology organizations according to their competence;

h/ Political organizations, socio-political organizations, social organizations and socio-professional organizations may establish science and technology organizations in accordance with law and their charters;

i/ Enterprises, other organizations and individuals may establish their own science and technology organizations.

2. Agencies, organizations and individuals that establish science and technology organizations may decide on the merger, division, splitting and dissolution of their science and technology organizations in accordance with law.

3. The Government shall specify the order and procedures for establishment, merger, division, splitting and dissolution of science and technology organizations.



### **Article 13.** Rights of science and technology organizations

1. To enjoy autonomy and take self-responsibility in scientific and technological activities in the fields for which they have received registration certificates. The State shall assign payrolls to public science and technology organizations.
2. To register as candidates for selection for or be directly assigned with scientific and technological tasks; to enter into science and technology contracts; to train human resources and foster talents for science and technology.
3. To establish science and technology organizations, businesses or attached science and technology businesses, representative offices and branches at home and abroad for conducting scientific and technological activities in accordance with this Law and other relevant laws.
4. To enter into cooperation or joint ventures with or receive financial assistance from, other organizations and individuals; to contribute money, assets or value of intellectual property rights in order to conduct scientific and technological, production and business activities in accordance with law.
5. To have their intellectual property rights protected; to transfer or assign results of scientific and technological activities in accordance with the laws on intellectual property and technology transfer.
6. To publish results of scientific and technological activities in accordance with the Press Law, the Publication Law and other laws.
7. To give advice or proposals on elaboration of the State's policies, laws, socio-economic development plans and science and technology development plans to competent agencies.
8. To join in international integration in science and technology.
9. To be partially or wholly transformed into science and technology businesses in accordance with law.

### **Article 14.** Obligations of science and technology organizations

1. To register scientific and technological operations; to conduct scientific and technological activities in the fields indicated in their operation registration certificates.
2. To perform signed science and technology contracts and scientific and technological tasks assigned by competent agencies or organizations.
3. To exercise democracy, equality and publicity in the use of funds for and performance of scientific and technological tasks.

4. To ensure funding for regular basic scientific researches according to their functions; to use investments in science and technology in accordance with law.
5. To register, preserve and transfer results of scientific research and technological development funded with the state budget.
6. To make scientific and technological reports and statistics.
7. To protect the interests of the State and society, rights and legitimate interests of science and technology workers in their organizations; to keep state secrets in science and technology.

**Article 15.** Vietnam-based representative offices and branches of foreign science and technology organizations

1. Foreign science and technology organizations may establish their representative offices and branches in Vietnam to conduct scientific and technological activities and activities directly related to scientific and technological activities in accordance with this Law and other relevant laws.
2. The establishment of a Vietnam-based representative office or branch of a foreign science and technology organization must satisfy the following conditions:
  - a/ The science and technology organization is lawfully established by an international organization or registered in a country or territory;
  - b/ Satisfying the conditions prescribed in Clause 3, Article 11 of this Law;
  - c/ Operating in the fields of science and technology for which Vietnam has demand;
  - d/ Undertaking to strictly comply with Vietnamese law and treaties to which Vietnam is a contracting party.
3. The Minister of Science and Technology shall grant the establishment licenses of Vietnam-based representative offices or branches of foreign science and technology organizations, Such a license may be valid for 5 years at most but must not exceed the remaining validity duration of the operation registration certificate or paper of equal validity of such organization in case its national law stipulates the validity duration of operation registration certificates of science and technology organizations.
4. Vietnam-based representative offices and branches of foreign science and technology organizations may conduct scientific and technological activities stated in their establishment licenses and have the rights and obligations provided in this Law and other relevant laws.

5. The Government shall specify conditions, order and procedures for establishment of Vietnam-based representative offices and branches of foreign science and technology organizations.

## **Section 2**

### **ASSESSMENT AND CLASSIFICATION OF SCIENCE AND TECHNOLOGY ORGANIZATIONS**

**Article 16.** Purposes and principles of assessment and classification of science and technology organizations

1. Assessment of science and technology organizations means the use of professional knowledge and skills to determine the operation capacity and efficiency of science and technology organizations.

2. The assessment of a science and technology organization is aimed at:

a/ Creating a ground for classification of such organization;

b/ Serving the formulation of science and technology development policies and planning of the network of science and technology organizations;

c/ Serving as a basis for the selection or direct assignment of such organization to perform scientific and technological tasks, the implementation of the policy of prioritized investment from the state budget, provision of loans, financial assistance, guarantee for loans from various science and technology funds.

3. The assessment and classification of science and technology organizations must adhere to the following principles:

a/ Applying appropriate assessment methods and criteria;

b/ Assuring independence, equality, honesty, objectiveness and lawfulness;

c/ Publishing assessment and classification results in a transparent manner.

**Article 17.** Assessment of science and technology organizations to serve the state management

1. Public science and technology organizations must be assessed to serve the state management.

2. The assessment of science and technology organizations to serve the state management is conducted by the state management agency in charge of science and technology or through independent assessment organizations.

3. The assessment of science and technology organizations must be based on the assessment criteria and method prescribed by the Minister of Science and Technology for each type of science and technology organization.

**Article 18.** Independent assessment organizations



1. Legal entities and individuals may conduct assessment and classification of science and technology organizations in accordance of this Law and other relevant laws.
2. The assessment and classification of science and technology organizations must adhere to the principles provided in Clause 3, Article 16 of this Law.
3. Assessment and classification-conducting organizations and individuals shall take responsibility for their assessment and classification results.

### **Chapter III**

## **SCIENCE AND TECHNOLOGY WORKERS, DEVELOPMENT OF HUMAN RESOURCES FOR SCIENCE AND TECHNOLOGY**

### **Article 19.** Scientific research titles, technological titles

1. Scientific research titles are titles showing the level and scientific research capacity of science workers, including research assistant, researcher, principal researcher and senior researcher.

Science and technology workers who participate in university or postgraduate lecturing or training may be considered for appointment to the title of professor or associate professor. Procedures for consideration of appointment comply with the Law on Higher Education.

2. Technological titles are titles showing the level and professional capacity of technology workers.

The Government shall specify technological titles, procedures for considering recognition or appointment of scientific research titles and technological titles.

3. Persons possessing a doctorate or having excellent scientific and technological research works or receiving high science and technology awards may be considered for recognition or appointment to higher scientific research or technological titles, regardless of their working seniority.
4. The Ministry of Home Affairs shall assume the prime responsibility for, and coordinate with the Ministry of Science and Technology, related ministries and ministerial-level agencies in, prescribing systems of lists, standards and codes of scientific research titles and technological titles.

### **Article 20.** Rights of science and technology workers

1. To enjoy freedom of creativity and equality in scientific and technological activities.
2. To conduct scientific and technological activities by themselves or in cooperation with organizations or other individuals; to enter into science and technology contracts.

3. To be provided with conditions for participating in or performing scientific and technological tasks within the functions of science and technology organizations of which they are members.
4. To establish science and technology businesses or science and technology organizations in a number of fields specified by the Government.
5. To register for selection or be directly assigned to perform scientific and technological tasks.
6. To have their intellectual property rights protected; to transfer or assign results of scientific and technological activities in accordance with the laws on intellectual property and technology transfer.
7. To publish results of scientific and technological activities in accordance with the Press Law, the Publication Law and other laws.
8. To contribute cash, assets and value of intellectual property rights for scientific, technological, production and business activities; to receive financial assistance for scientific and technological activities in accordance with law.
9. To give advices and make proposals on elaboration of the State's policies, laws and socio-economic development plans to competent authorities; and science and technology development plans of science and technology organizations of which they are members, and take part in supervision of their implementation.
10. To join science and technology organizations, societies and associations; to participate in scientific and technological training, consultancy, conferences and seminars; to participate in international cooperation on science and technology.
11. To be considered for recognition or appointment to the titles specified in Article 19 of this Law.
12. To receive rewards, and enjoy incentives and support as provided by law.

**Article 21.** Obligations of science and technology workers

1. To contribute their intellect and talents to the cause of science and technology development, socio-economic development, and national defense and security assurance.
2. To perform signed science and technology contracts.
3. To perform scientific and technological tasks assigned by competent agencies or organizations.
4. To register, preserve and transfer results of scientific research and technological development funded with the state budget.

5. To keep state scientific and technological secrets and protect the interests of the State and society.

**Article 22.** Training of human resources and fostering of talents in science and technology

1. Based on the national master plan on human resource development, the Minister of Science and Technology shall approve the master plan on development of human resources for science and technology as proposed by ministries, ministerial-level agencies, government-attached agencies, provincial-level People's Committees and other state agencies.
2. The Ministry of Education and Training shall assume the prime responsibility for, and coordinate with the Ministry of Science and Technology and other line ministries in, organizing university and postgraduate training; discovering, training and covering talents in order to supplement human resources for science and technology, and ensure sectoral and regional structure; attaching importance to training highly qualified human resources for prioritized and key fields of science and technology.
3. The Ministry of Science and Technology shall assume the prime responsibility for, and coordinate with related agencies and organizations in, organizing training and retraining of human resources for science and technology throughout the country in order to improve their professional qualifications and skills.
4. The State encourages and creates conditions for organizations and individuals to conduct self-training, participate in and finance the training and retraining of human resources and fostering of talents in science and technology; promotes the training and employment of female laborers in scientific and technological activities; prioritizes the attraction and training of human resources for science and technology for areas with difficult or particularly difficult socio-economic conditions.
5. Funds for the training of human resources prescribed in Clause 2 of this Article are ensured by the state budget. Funds for organizing training and retraining for improvement of professional qualifications and skills prescribed in Clause 3 of this Article are science and technology non-business funds. Financial supports for training and retraining of human resources for science and technology as prescribed in Clause 4 of this Article are deducted upon determination of taxable income.
6. The Government shall specify this Article.

**Article 23.** Incentives for the use of human resources and talents for science and technology

1. A person who is appointed to a scientific research title or technological title is entitled to the following incentives:

a/ To be assigned to a working position and entitled to a salary and an allowance suitable to his/her profession and capacity in a public science and technology organization;

b/ To enjoy tax incentives provided in Article 64 of this Law;

c/ To be equipped with means and provided with working conditions which are more favorable than those prescribed for state cadres and civil servants and suitable to requirements of assigned scientific and technological tasks;

d/ To be exempted from civil liability for a damage or risk caused to the State due to objective reasons when performing scientific and technological tasks and having fully implemented the scientific research process and regulations.

2. A leading scientist, in addition to the incentives provided in Clause 1 of this Article, may enjoy the following incentives:

a/ To be prioritized in the assignment of important scientific and technological tasks;

b/ To form an excellent research team in his/her professional fields and be provided with funds or funding support for activities of this team;

c/ To personally make proposals or take part in the formulation and assessment of and giving of criticisms on national or sectoral policies on science and technology development;

d/ To be given priority in the assignment to give independent criticisms on national, ministerial and provincial scientific and technological tasks;

dd/ To enjoy a special preferential allowance as provided by the Government;

e/ To receive financial support for participation in domestic and international scientific conferences and seminars relevant to his/her professional field.

3. A scientist assigned to perform a national scientific and technological task of special importance, in addition to the incentives provided in Clause 1 of this Article, may enjoy the following incentives:

a/ To enjoy special salary and preferential allowance as agreed with the task-assigning state agency; to be provided with a public-duty house and vehicle during the period of performing the assigned task;

b/ To propose the mobilization of science and technology workers, funds and material and financial sources to assure the performance of the task;

c/ To hire and agree on the cost of hiring domestic and foreign experts; to decide on purchase of inventions, designs, technical documents and technical know-how for performing the task within the assigned funding estimate;

d/ To decide on funds and receive funding support for participation in domestic and international scientific conferences and seminars relevant to his/her professional field;

dd/ To have full power to decide on organization of the assigned task.

4. A young talented scientist, in addition to the incentives provided in Clause 1 of this Article, may enjoy the following incentives:

a/ To be given priority in the consideration to grant scholarship for domestic and foreign training to improve his/her qualifications;

b/ To form an excellent research team in his/her professional field and be provided with funds or funding support for activities of this team;

c/ To be assigned to perform potential scientific and technological tasks, and be given priority in performing or taking part in performing other scientific and technological tasks;

d/ To receive funding support for participation in domestic and international conferences and seminars relevant to his/her professional field.

5. The Government shall specify this Article.

**Article 24.** Attraction of science and technology workers who are overseas Vietnamese and foreign experts

1. Science and technology workers who are overseas Vietnamese and foreign experts are encouraged to participate in scientific and technological activities in Vietnam.

2. While working in Vietnam, science and technology workers who are overseas Vietnamese have the rights and obligations provided in Articles 20 and 21 of this Law, and enjoy the following incentives:

a/ To be appointed to or hired to hold leading posts of science and technology organizations; to be assigned to perform scientific and technological tasks at all levels, be considered for recognition or appointment to scientific research titles or technological titles as prescribed in Article 19 of this Law;

b/ To enjoy expert salary as provided by the Government and other incentives under contracts;

c/ To enjoy exit, entry, residence, housing and other incentives provided by law.

3. Foreign experts are encouraged to participate in scientific and technological activities in Vietnam and may enjoy the following incentives:

a/ To be hired to hold leading posts of science and technology organizations; to be assigned to perform scientific and technological tasks;



b/ To enjoy exit, entry, residence, housing and other incentives provided by law;

c/ To enjoy expert salary as provided by the Government and other incentives under contracts.

4. Science and technology workers who are overseas Vietnamese and foreign experts with great contributions to the cause of science and technology development in Vietnam will be honored, commended and given Vietnamese science and technology awards by the Vietnamese State.

5. The Government shall specify this Article.

## **Chapter IV**

### **DETERMINATION AND ORGANIZATION OF PERFORMANCE OF SCIENTIFIC AND TECHNOLOGICAL TASKS**

#### **Section 1**

#### **DETERMINATION OF SCIENTIFIC AND TECHNOLOGICAL TASKS**

**Article 25.** Scientific and technological tasks

1. Scientific and technological tasks are organized in the form of research themes, subjects, projects or tasks according to the functions of science and technology organizations or in other forms.

2. Scientific and technological tasks funded with the state budget include national-, ministerial-, provincial- and grassroots-level tasks determined by competent agencies specified in Article 27 of this Law.

National-, ministerial- and provincial-level scientific and technological tasks must be performed on placed orders.

3. The State encourages and creates conditions for all organizations and individuals to propose scientific ideas and scientific and technological tasks.

The Government shall set out criteria for determining scientific and technological tasks at all levels suitable to each period science and technology development and field of science and technology; and provide measures to encourage the proposal of scientific ideas and scientific and technological tasks.

**Article 26.** Proposal of scientific and technological tasks

1. The proposal of scientific and technological tasks funded with the state budget is provided as follows:

a/ Agencies, organizations and individuals shall send their proposals on scientific and technological tasks to ministries, ministerial-level agencies,

government-attached agencies, provincial-level People's Committees and other central-level state agencies in charge of their sectors, fields or localities for summarization.

Ministries, ministerial-level agencies, government-attached agencies, provincial-level People's Committees and other central-level state agencies shall organize consultations to determine and publicize ordered tasks at their levels and send proposals on placement of orders for scientific and technological tasks to the Ministry of Science and Technology.

b/ The Ministry of Science and Technology shall summarize proposals on order placement and hold consultations on national scientific and technological tasks and publicize them;

c/ The Minister of Science and Technology shall propose, at his/her own will or at the request of the Government or Prime Minister, the placement of orders on urgent national scientific and technological tasks or newly arising ones which greatly impact the national socio-economic development, defense and security; and hold consultations on these tasks;

d/ Consultations to determine scientific and technological tasks are held by the Advisory Council for Determination of Scientific and Technological Tasks.

A competent agency or organization shall decide to form and define tasks and powers of the Advisory Council for Determination of Scientific and Technological Tasks. The Council is composed of prestigious and qualified scientists, managers and businesspersons. In case of necessity, the head of the competent agency or organization may consult independent experts before or after a meeting of the Council. Members of the Council and independent experts shall take responsibility for their advice.

2. The proposal of scientific and technological tasks not funded with the state budget may apply the provisions of Clause 1 of this Article.

3. The proposal of and consultancy on applied research tasks in the fields of science and technology must cover experimental development, trial production and fund estimation for these activities or proposal of projects on experimental development or trial production.

4. The Minister of Science and Technology shall specify this Article.

**Article 27.** Competence to approve and sign contracts on performance of scientific and technological tasks

1. The competence to approve scientific and technological tasks is provided as follows:

a/ Based on socio-economic development strategies and plans and the national science and technology development strategy, the Ministry of Science and Technology shall approve five-year scientific and technological orientations, objectives and tasks and annual national scientific and technological tasks;

b/ Ministries, ministerial-level agencies, government-attached agencies, other central state agencies and provincial-level People's Committees shall approve ministerial- and provincial-level scientific and technological tasks;

c/ Organizations and individuals not mentioned at Points a and b of this Clause shall approve by themselves or submit to competent agencies for approval their grassroots-level scientific and technological tasks according to their organization and operation regulations.

2. The competence to sign contracts with organizations and individuals performing scientific and technological tasks is provided as follows:

a/ The Ministry of Science and Technology shall sign contracts on performance of national-level scientific and technological tasks;

b/ Ministries, ministerial-level agencies, government-attached agencies, other central state agencies and provincial-level People's Committees shall sign contracts on performance of ministerial- or provincial-level scientific and technological tasks;

c/ Organizations and individuals mentioned at Point c, Clause 1 of this Article shall sign contracts on performance of grassroots-level scientific and technological tasks.

3. Ministries, ministerial-level agencies, government-attached agencies, other central state agencies and provincial-level People's Committees shall send their reports on approval and signing of contracts on performance of scientific and technological tasks to the Ministry of Science and Technology for summarization and publicization on the national scientific and technological database.

## **Section 2**

### **METHODS OF PERFORMING SCIENTIFIC AND TECHNOLOGICAL TASKS**

**Article 28.** Methods of assigning scientific and technological tasks

1. Scientific and technological tasks funded with the state budget are assigned by the methods of selection, direct assignment and grant of financial assistance from the State's science and technology funds.

2. Scientific and technological tasks not funded with the state budget may be performed by the methods provided in Clause 1 of this Article or another method selected by organizations and individuals.

**Article 29.** Selection of organizations or individuals to perform scientific and technological tasks

1. Selection of organizations or individuals to perform scientific and technological tasks funded with the state budget is the identification of organizations or individuals to perform scientific and technological tasks and must ensure competitiveness, fairness and efficiency.

2. Scientific and technological tasks which can be performed by different organizations or individuals must be assigned by the method of selection so as to achieve the highest efficiency.

3. State management agencies in charge of science and technology at all levels shall publish on their e-portals or in other mass media lists of scientific and technological tasks and conditions and procedures for selection.

4. The selection of organizations or individuals to perform scientific and technological tasks must be public, fair, democratic and objective; selection results must be published on e-portals or in other mass media.

5. Heads of state management agencies in charge of science and technology at all levels shall set up councils for selection of organizations or individuals to perform scientific and technological tasks, and define tasks and powers of these councils.

A council is tasked to provide advice and take responsibility for its advice. It is composed of scientists, managers and businesspersons who are prestigious and qualified for their tasks. Council members must be capable and professionally qualified for scientific and technological tasks and take responsibility for their advice.

6. Heads of state management agencies in charge of science and technology at all levels shall take responsibility before law for their decisions on selection of organizations or individuals to perform scientific and technological tasks after receiving the advice of the councils. In case of necessity, heads of state management agencies in charge of science and technology at all levels may additionally consult independent experts before making decisions.

7. The Minister of Science and Technology shall specify the selection of organizations or individuals to perform scientific and technological tasks.

**Article 30.** Scientific and technological tasks which are funded with the state budget and can be directly assigned

1. The State shall directly assign organizations or individuals to perform the following scientific and technological tasks:

a/ Scientific and technological tasks pertaining to national secrets or exclusively serving security or national defense;

b/ Unexpected scientific and technological tasks;

c/ Scientific and technological tasks which can only be performed by only one organization that has sufficient human resources, professional and equipment conditions.

2. Heads of competent state management agencies shall decide to assign scientific and technological tasks mentioned in this Article after obtaining the advice of advisory councils, and take responsibility for their assignment. Organizations or individuals assigned to perform these tasks must have full and appropriate capability and conditions and professional qualifications.

In case of necessity, heads of competent state management agencies may additionally consult independent experts before making decisions.

3. The Government shall specify this Article.

**Article 31.** Scientific and technological tasks eligible for financial assistance, loans or loan guarantee from science and technology funds

Organizations and individuals may propose scientific and technological tasks to be considered for financial assistance, loans or loan guarantee by science and technology development funds, technology renewal funds, hi-tech venture investment funds and other science and technology funds according to the organization and operation charters of these funds.

**Article 32.** Association in determination and performance of scientific and technological tasks

1. The State encourages and creates conditions for science and technology organizations and scientists to associate with businesses and other organizations in determining and performing scientific and technological tasks to meet requirements of technology renewal and raising of technological level, and productivity, quality and competitiveness of products and goods.

2. Financial support from the state budget for the performance of scientific and technological tasks mentioned in Clause 1 of this Article is provided as follows:

a/ Support not exceeding 30% of investment in projects of businesses on application of scientific and technological task performance results to create new products or raise the productivity, quality and competitiveness of products;

support not exceeding 50% of investment in projects implemented in areas with difficult or exceptionally difficult socio-economic conditions;

b/ Support not exceeding 50% of investment in projects on performance of national scientific and technological tasks in prioritized or key fields as specified by the State.

3. The Government shall specify conditions, forms, order, procedures and level of state support for scientific and technological tasks specified in this Article.

### **Section 3**

## **SCIENCE AND TECHNOLOGY CONTRACTS**

**Article 33.** Classification of science and technology contracts

1. Scientific and technological tasks and scientific and technological service activities must be carried out under written science and technology contracts.

2. Types of science and technology contracts include:

a/ Scientific research and technological development contracts;

b/ Technology transfer contracts;

c/ Scientific and technological service contracts.

3. The Minister of Science and Technology shall set out forms of contract types specified at Point a, Clause 2 of this Article.

**Article 34.** Rights and obligations of order-placing parties under scientific research and technological development contracts

1. Order-placing parties under scientific research and technological development contracts have the following rights:

a/ To own scientific research and technological development results, unless otherwise agreed in the contracts;

b/ To organize the transfer of the right to own or use scientific research and technological development results.

2. Order-placing parties under scientific research and technological development contracts have the following obligations:

a/ To provide information necessary for the contract performance;

b/ To organize pre-acceptance tests of results of performance of ordered tasks;

c/ To receive and apply or transfer research results after pre-acceptance test;

d/ To pay fully expenses to order-taking parties as agreed upon in the contracts.

**Article 35.** Rights and obligations of parties taking orders for performance of scientific research and technological development contracts

1. Parties taking orders for performance of scientific research and technological development contracts have the following rights:

a/ To enjoy copyright to scientific research and technological development results as agreed upon in the contracts;

b/ To request order-placing parties to provide information and other conditions as agreed upon in the contracts for the contract performance;

c/ To receive payments made by order-placing parties for the contract performance.

2. Parties taking orders for performance of scientific research and technological development contracts have the following obligations:

a/ To hand over research results and products as agreed upon in the contracts;

b/ To keep secret scientific research and technological development results as agreed upon;

c/ Not to transfer scientific research and technological development results to other parties without consent of order-placing parties.

**Article 36.** Settlement of disputes over science and technology contracts

1. Parties that breach science and technology contracts shall pay compensations for damage caused by their breach and be handled in accordance with law.

2. Disputes over science and technology contracts must be settled first of all through direct conciliation or negotiation between parties. In case parties cannot settle their disputes by themselves, their disputes may be settled by arbitration or court.

#### **Section 4**

### **EVALUATION, PRE-ACCEPTANCE TEST, REGISTRATION AND PRESERVATION OF SCIENTIFIC AND TECHNOLOGICAL TASK PERFORMANCE RESULTS**

**Article 37.** Evaluation and pre-acceptance test of scientific and technological task performance results

1. Upon completion of their performance, scientific and technological tasks funded with the state budget must be evaluated and tested before acceptance in an objective and accurate manner by specialized scientific and technological councils. Persons who have assigned scientific and technological tasks shall decide according to their competence on pre-acceptance test of scientific and technological task performance results. In

case of necessity, these persons may additionally consult independent consultancy organizations and experts before deciding on pre-acceptance test.

2. Scientific and technological tasks not funded with the state budget may be evaluated and tested by organizations or individuals. Organizations or individuals that are unable to organize by themselves the evaluation and pre-acceptance test may request local state management agencies in charge of science and technology to organize evaluation and pre-acceptance test.

3. Results of performance of scientific and technological tasks not funded with the state budget that impact national interests, defense, security, environment, human life and health must be evaluated by competent state management agencies in charge of science and technology.

4. Annually, the Ministry of Science and Technology shall publish the list of scientific and technological tasks funded with the state budget which have been tested for acceptance.

5. The Minister of Science and Technology shall prescribe criteria and procedures for evaluation and pre-acceptance test of scientific and technological task performance results.

**Article 38.** Evaluation and pre-acceptance test of scientific and technological task performance results by specialized scientific and technological councils, independent consultancy organizations and experts

1. Persons assigning scientific and technological tasks shall set up specialized scientific and technological councils or hire independent consultancy organizations or experts to conduct evaluation and pre-acceptance test of scientific and technological task performance results.

2. A specialized scientific and technological council is composed of scientists, representatives of the agency or organization that proposes the order placement, order-placing agency or organization, managers and businesspersons that have capability and professional qualifications suitable to their tasks.

3. Independent consultancy organizations and experts must have capability and professional qualifications relevant to scientific and technological tasks.

4. Specialized scientific and technological councils, independent consultancy organizations and experts shall conduct evaluation and pre-acceptance test of scientific and technological task performance results according to objectives, requirements, contents, results and schedule stated in signed contracts and take responsibility before persons assigning scientific and technological tasks.



5. Specialized scientific and technological councils, independent consultancy organizations and experts shall take responsibility for their evaluation results.

**Article 39.** Registration and preservation of scientific and technological task performance results

1. Results of performance of scientific and technological tasks funded with the state budget must be registered and preserved at the national scientific and technological information agency and competent agencies of managing ministries, sectors or localities.

Scientific and technological task performance results pertaining to the list of state secrets must be registered and preserved according to the confidentiality regime.

2. Results of performance of scientific and technological tasks not funded with the state budget are encouraged to be registered and preserved at the national scientific and technological information agency and competent agencies of ministries, sectors or localities.

**Article 40.** Responsibility to receive and organize application of scientific and technological task performance results

1. For results of performance of scientific and technological tasks funded with the state budget, after they are evaluated and tested for acceptance, ministers, heads of ministerial-level agencies, government-attached agencies, other central state agencies, chairpersons of provincial-level People's Committees, or heads of political organizations or socio-political organizations shall receive and organize the application thereof, allocate funds, assess efficiency of the application of results of performance of scientific and technological tasks for which they have proposed the placement of orders or placed orders, and send annual reports on application results to the Ministry of Science and Technology.

2. For scientific and technological tasks not funded with the state budget, if performing organizations or individuals are unable to organize by themselves the application of research results, they may request local state management agencies in charge of science and technology to consider and create conditions for the application.

3. In case results of performance of scientific and technological tasks not funded with the state budget are donated to the State, competent state agencies shall receive and preserve them and organize the application thereof.

**Section 5**

## **OWNERSHIP OF AND COPYRIGHT TO SCIENTIFIC RESEARCH AND TECHNOLOGICAL DEVELOPMENT RESULTS**

**Article 41.** Right to own or use scientific research and technological development results

1. Organizations or individuals investing money and physical-technical foundations in the performance of scientific and technological tasks are owners of scientific research and technological development results, unless otherwise agreed by parties in scientific research and technological development contracts.
2. Representatives of the state owner of results of scientific research and technological development funded with the state budget are as follows:
  - a/ The Minister of Science and Technology acts as the representative of the owner of national scientific and technological task performance results;
  - b/ Ministers, heads of ministerial-level agencies, government-attached agencies, other central state agencies or chairpersons of provincial-level People's Committees act as representatives of the owner of performance results of ministerial- or provincial-level or grassroots scientific and technological tasks they have approved;
  - c/ Heads of agencies or organizations not mentioned at Points a and b of this Clause act as representatives of the owner of performance results of scientific and technological tasks they have approved.
3. Representatives of the state owner mentioned in Clause 2 of this Article may consider assigning the whole or part of the right to own or use results of scientific research and technological development funded with the state budget under the Government's regulations to organizations in charge of performing scientific and technological tasks.
4. The exercise of the right to own or use results of scientific research and technological development funded with the state budget mentioned in Clause 3 of this Article is as follows:
  - a/ In case an organization in charge of performing a scientific and technological task is assigned with the whole or part of the ownership, it shall exercise this right in accordance with the laws on intellectual property and technology transfer;
  - b/ In case an organization in charge of performing a scientific and technological task is assigned with the use right, it shall exercise this right in accordance with law.
5. In case an organization in charge of performing a scientific and technological task cannot use scientific research and technological

development results mentioned at Point b, Clause 4 of this Article, representatives of the state owner mentioned in Clause 2 of this Article may decide to assign the right to use such results to another organization capable of using scientific research and technological development results.

6. The Government shall specify cases, order and procedures of assignment of the whole or part of the right to own or use scientific research and technological development results provided in this Article.

**Article 42.** Copyright to scientific research and technological development results

Persons who directly perform scientific research and technological development tasks are authors of results of such scientific research and technological development. Authors of scientific research and technological development results enjoy the rights provided in this Law and other relevant laws.

**Article 43.** Division of profits upon use, licensing, transfer or capital contribution as capital of results of scientific research and technological development funded with the state budget

At least 30% of the profit earned from the use, licensing, transfer or contribution as capital of results of scientific research and technological development funded with the state budget will be divided to the author. The remainder will be divided among the owner, managing agency and broker under regulations of the Government.

## **Chapter V**

### **APPLICATION OF SCIENTIFIC RESEARCH AND TECHNOLOGICAL DEVELOPMENT RESULTS, POPULARIZATION OF SCIENTIFIC AND TECHNOLOGICAL KNOWLEDGE**

**Article 44.** Responsibility to organize the application of scientific research and technological development results

1. Parties that propose the placement of orders or place orders for performance of scientific and technological tasks funded with the state budget shall organize the application of scientific research and technological development results as provided in Article 40 of this Law.

In case parties that propose the placement of orders or place orders fail to perform the responsibility prescribed in this Clause, they shall be handled in accordance with law.

2. Organizations or individuals that perform scientific and technological tasks funded with the state budget shall directly organize or take part in organizing

the application of scientific research and technological development results to production or life under scientific research and technological development contracts, requests and instructions of order-placing parties, except in *force majeure* circumstances.

In case organizations or individuals performing scientific and technological tasks fail to perform the responsibility prescribed in this Clause, they shall be handled in accordance with law and concurrently may not perform scientific and technological tasks funded with the state budget for 3 years from the date of being handled.

**Article 45.** Promotion of application of scientific research and technological development results

1. Organizations and individuals that apply scientific research and technological development results, especially high technologies, and utilize inventions for renovating the socio-economic management, renewing technology and improving competitiveness of products and goods are entitled to tax, credit and other incentives provided in this Law and other relevant legal documents.
2. Owners, authors and persons that successfully apply scientific research and technological development results will enjoy benefits from the application of such results to production and life under science and technology contracts and in accordance with this Law.
3. Successful application of scientific and technological achievements to production and life is one of major criteria for assessing the capability of authors, heads of science and technology organizations and businesses; serves as a basis for the State to give priority in the process of considering, selecting and assigning parties with scientific and technological tasks funded with the state budget; and may be considered by the State's science and technology funds for funding support for scientific and technological activities.
4. Agricultural, forestry, fishery or industrial extension organizations and scientific and technological service organizations may receive support, tax and other incentives in accordance with law in order to quickly apply scientific research and technological development results to production and life and commercialize them.
5. Political organizations, socio-political organizations, social organizations and socio-professional organizations shall, within their functions and tasks, create conditions for their members to apply scientific research and technological development results.

**Article 46.** Application of science and technology in investment projects, socio-economic development programs.

1. State budget-funded investment projects and socio-economic development programs must have spending items for application, research and development to serve the creation of scientific grounds at the stage of investment preparation, implementation and settlement of scientific and technological issues arising in the course of implementation.
2. Investment projects and socio-economic development programs must be appraised in terms of scientific grounds and technological level against law-prescribed requirements before being approved.
3. The Government shall provide the competence, order and procedures for appraisal of technologies in investment projects and socio-economic development programs.

**Article 47.** Promotion of initiative, technical improvement, production rationalization and innovation

1. State management agencies in charge of science and technology at all levels shall take measures to step up initiative, technical improvement, production rationalization and innovation movements.
2. Annually, the Ministry of Science and Technology shall coordinate with political organizations, socio-political organizations, social organizations, socio-professional organizations and businesses in organizing contests of initiative, technical improvements, production rationalization and innovation; and earmark the science and technology budget to support these activities.
3. Businesses shall set aside funds for organizing contests of initiative, technical improvements, production rationalization, and innovation which may be accounted as investment in their scientific and technological activities.
4. The State provides financial assistance and encourages organizations and individuals to organize and finance initiative, technical improvement, production rationalization and innovation and organize contests thereof.

**Article 48.** Communication and popularization of scientific and technological knowledge

1. The State invests and encourages organizations, businesses and individuals to invest in developing the communication and popularization of scientific and technological knowledge.
2. The Ministry of Science and Technology shall assume the prime responsibility for, and coordinate with the Vietnam Union of Scientific and Technological Associations, related agencies and organizations in,

elaborating and implementing annual and five-year plans on communication and popularization of scientific and technological knowledge.

3. Investment made and financial assistance provided by organizations, businesses and individuals for the communication and popularization of scientific and technological knowledge are accounted as reasonable expenses.

## **Chapter VI**

### **INVESTMENT AND FINANCE FOR SCIENCE AND TECHNOLOGY DEVELOPMENT**

#### **Section 1**

##### **STATE INVESTMENT**

**Article 49.** State budget for science and technology

1. The State earmarks 2% or more of the total annual state budget expenditures for science and technology and gradually increase this rate to meet requirements of science and technology development.
2. The budget for science and technology must be recorded as a separate expenditure in the annual state budget index of each ministry, sector or locality.
3. The allocation of the state budget for science and technology in a year is based on practical needs and results of use of the allocated budget.

**Article 50.** Purposes of state budget expenditures for science and technology

1. Performing priority and key scientific and technological tasks and scientific and technological tasks at all levels for common interests of the society; attaching importance to basic research tasks in science and technology.
2. Maintaining and developing the national scientific and technological capacity, investing in and supporting the building of physical and technical foundations for science and technology organizations; assuring regular basic research activities of public science and technology organizations.
3. Developing human resources for science and technology.
4. Financing the State's science and technology funds as provided in Article 59 of this Law.
5. Supporting the technological research, application and renewal in prioritized and key fields.
6. Stepping up the science and technology application in localities.

7. Purchasing scientific research and technological development results, supporting the import of source technologies and high technologies, designs and hiring domestic and foreign experts in prioritized fields.

8. Communicating and popularizing scientific and technological knowledge, information and statistics; supporting the registration for protection of intellectual property rights, and publicizing scientific research and technological development results and science and technology awards.

9. Supporting other scientific and technological activities.

**Article 51.** Estimation and management of use of the state budget for science and technology

1. The Ministry of Science and Technology shall assume the prime responsibility for, and coordinate with ministries, ministerial-level agencies, government-attached agencies, other central state agencies and provincial-level People's Committees in, elaborating and proposing annual estimates of state budget expenditures for science and technology in accordance with law.

2. The Ministry of Planning and Investment and the Ministry of Finance shall elaborate estimates of science and technology development instrument expenditures and estimates of science and technology non-business expenditures based on estimates proposed by the Ministry of Science and Technology.

3. Specialized agencies assisting provincial-level People's Committees in the state management of science and technology shall make proposals on annual estimates of state budget expenditures for science and technology and request specialized agencies assisting provincial-level People's Committees in the state management of planning and investment and finance to summarize and elaborate estimates of science and technology development instrument expenditures, and estimates of science and technology non-business expenditures, ensuring payment of sufficient expenditures for proper purposes.

Provincial-level People's Committees shall submit to People's Councils at the same level for approval estimates of state budget expenditures for science and technology.

4. Finance agencies at all levels shall promptly allocate sufficient science and technology funds according to schedules of science and technology plans; urge and inspect all sectors and levels in using science and technology funds for proper purposes and with efficiency.

**Article 52.** Application of presumptive expenditures for scientific and technological tasks funded with the state budget; purchase of scientific research and technological development results

1. The application of presumptive expenditures for scientific and technological tasks funded with the state budget is provided as follows:

a/ Presumptive expenditures are applicable to scientific and technological tasks funded with the state budget in natural sciences, social sciences and humanities, technical sciences and technologies which have been approved by competent agencies in terms of objectives, contents, requirements on research products and fund estimates;

b/ Scientific and technological tasks which have clearly determined criteria for final products based on the appraisal of explanations and fund estimates are eligible for application of presumptive expenditures to final products;

c/ Scientific and technological tasks ineligible for application of presumptive expenditures to final products and those involving high risk may apply presumptive expenditures to each work for which criteria have been clearly determined.

2. In case of necessity, the State shall purchase scientific research and technological development results as agreed upon with organizations and individuals.

3. The Government shall specify criteria, process and procedures for application of presumptive expenditures for scientific and technological tasks funded with the state budget and purchase of scientific research and technological development results.

**Article 53.** Allocation, use and management of funds for performance of scientific and technological tasks funded with the state budget

1. The allocation of funds for the performance of scientific and technological tasks funded with the state budget must be timely and suitable to schedules of scientific and technological task order placement and approval.

2. Funds for the performance of scientific and technological tasks are allocated through the State's science and technology development funds or transferred into deposit accounts at the State Treasury of agencies in charge of performing scientific and technological tasks.

3. Funds for the performance of scientific and technological tasks must be used under payment orders of agencies in charge of performing scientific and technological tasks and finalized upon expiration of contracts, regardless of the fiscal year.

4. The Government shall specify this Article.

**Article 54.** Special investment mechanism for performance of special scientific and technological tasks



1. Large-scale scientific and technological tasks that serve national defense and security and have great effects on productivity, quality and competitiveness of national products are eligible for a special investment mechanism.
2. The Government shall propose the National Assembly to consider and decide on scientific and technological tasks classified as national important projects or works in which investment is decided by the National Assembly.
3. The Prime Minister shall decide on performance of special scientific and technological tasks, except those mentioned in Clause 2 of this Article.
4. The Government shall set out criteria for determining special scientific and technological tasks and specify the special investment mechanism and methods of performing these tasks as provided in this Article.

## **Section 2**

### **INVESTMENT BY BUSINESSES, ORGANIZATIONS AND INDIVIDUALS**

**Article 55.** Mobilization of funding sources outside the state budget for investment in science and technology

1. The State encourages all organizations and individuals to invest in and finance science and technology.
2. Organizations and individuals may set up science and technology development funds under Articles 62 and 63 of this Law.
3. Organizations and individuals that invest in or finance science and technology may:
  - a/ Enjoy tax incentives as provided by law;
  - b/ Be honored, commended and rewarded in accordance with law.

**Article 56.** Investment by businesses in science and technology

1. Businesses shall invest in technology renewal and improvement, and raising of productivity, quality and competitiveness of products and goods.
2. Investment in science and technology development by businesses is accounted as actual expense related to their production or business operation.
3. Businesses that invest or associate with others in investing in scientific and technological research in prioritized or key fields determined by the State, technology renewal and improvement, and raising of product and goods productivity, quality and competitiveness, may be considered for support or loans by science and technology funds and enjoy other incentives provided by this Law.

**Article 57.** Incentives for businesses to apply scientific research and technological development results

1. Businesses that apply scientific research and technological development results in order to renew and improve technology, raise product and goods productivity, quality and competitiveness may be provided with financial support, preferential loans, loan interest rate support or loan guarantee by the State's science and technology funds.
2. Businesses that apply high technologies may enjoy the highest incentives as provided by the law on high technologies. Businesses that apply technologies being outcomes of domestic scientific and technological tasks may enjoy bank loan interest rate support.

**Article 58.** Development of science and technology businesses

1. Science and technology businesses are those engaged in production, business or provision of scientific and technological services to create products or goods from results of scientific research and technological development.
2. A science and technology business must satisfy the following conditions:
  - a/ Being established, organized and managed, making business registration, and operating in accordance with the Law on Enterprises;
  - b/ Having capability to perform scientific and technological tasks;
  - c/ Generating turnover from production or trading of products and goods turned out from results of scientific research and technological development at a prescribed level.
3. In addition to the incentives provided in Article 57 of this Law, science and technology businesses may also:
  - a/ Be considered for assignment of the right to own or use scientific research and technological development results under the state ownership;
  - b/ Enjoy enterprise income tax incentives, registration fee exemption upon registration of land use rights and house ownership in accordance with law;
  - c/ Be given priority in renting land and infrastructure in industrial parks, export processing zones, economic zones and hi-tech zones;
  - d/ Enjoy the preferential policy on investment credit of the Development Bank of Vietnam, the national fund for technology renewal and other funds for implementation of production or business investment projects;
  - dd/ Be given priority in using equipment and facilities for scientific research and technological development in national key laboratories, technology incubators, enterprise incubators and scientific and technological research institutions of the State.

4. The Government shall specify this Article.

### **Section 3**

## **SCIENCE AND TECHNOLOGY SUPPORT AND INVESTMENT FUNDS**

**Article 59.** Science and technology support and investment funds

1. The State sets up and encourages organizations and individuals to set up funds to mobilize social resources to support or invest in scientific and technological activities.

2. Science and technology development funds may be set up in accordance with this Law.

Technology renewal funds and hi-tech venture investment funds may be set up in accordance with the Law on Technology Transfer and the Law on High Technologies.

3. Mechanism and forms of these funds' support for and investment in scientific and technological activities comply with their organization and operation charters.

**Article 60.** National Science and Technology Development Fund

1. The Government shall set up the National Science and Technology Development Fund in order to finance the performance of basic research and applied research; to finance unexpected scientific and technological tasks of important scientific and practical significance and potential scientific and technological tasks; to provide loans with low interest rates or without interests for the application of scientific research and technological development results to production and life; to guarantee loans for a number of special scientific and technological tasks; to support young scientists in participating in international conferences and seminars; and to support the raising of the national scientific and technological capacity.

2. The National Science and Technology Development Fund is formed from the initial allocation and additional annual allocations of the state budget for science and technology development, and its operation results; voluntary contributions and donations of organizations and individuals, and other lawful sources.

3. The Government shall stipulate the organization and operation charter of the National Science and Technology Development Fund.

**Article 61.** Science and technology development funds of ministries, ministerial-level agencies, government-attached agencies, provinces and centrally run cities

1. Ministries, ministerial-level agencies, government-attached agencies and provincial-level People's Committees may set up science and technology development funds to meet their science and technology development requirements.
2. These funds must be used for the purposes prescribed in Clause 1, Article 60 of this Law.
3. These funds are formed from the funding source initially allocated from the state budget for science and technology development of ministries, ministerial-level agencies, government-attached agencies, provinces and centrally run cities; additional annual budget allocations for ministerial- and provincial-level scientific and technological tasks, and their operation results; contributions of businesses in accordance with law; voluntary contributions and donations of organizations and individuals and other lawful sources.
4. The Minister of Science and Technology shall stipulate the model organization and operation charter of science and technology development funds of ministries, ministerial-level agencies, government-attached agencies, provinces and centrally run cities.

**Article 62.** Science and technology development funds of organizations and individuals

1. The State encourages organizations and individuals to set up their science and technology development funds in accordance with law.

Science and technology development funds of organizations and individuals operate not for profit to provide non-refundable aid or loans with low interest rates or without interests or guarantee for loans for science and technology development needs of organizations and individuals.

2. Science and technology development funds of organizations and individuals are formed from contributions of founding organizations and individuals not originating from the state budget; voluntary contributions and donations of organizations and individuals and other lawful sources.
3. Founding organizations and individuals shall issue organization and operation charters of these funds and register them with competent state management agencies in charge of finance and concurrently notify the setting up of these funds to state management agencies in charge of science and technology in localities where these funds are headquartered.

**Article 63.** Science and technology development funds of businesses

1. Non-state businesses are encouraged to set up their science and technology development funds or make contributions to science and technology

development funds of their sectors and localities, and may enjoy benefits under regulations of these funds.

2. State businesses shall deduct their incomes liable to enterprise income tax at least at a prescribed rate to set up their science and technology development funds.

The Government shall specify the rate of deduction from incomes liable to enterprise income tax to set up science and technology development funds of state businesses and the mechanism of management and use of these funds.

3. Businesses enjoy autonomy and take accountability for the management and use of their funds for proper purposes for which these funds are set up and notify the setting up of these funds to state management agencies in charge of science and technology in localities where the businesses are headquartered.

#### **Section 4**

### **TAX AND CREDIT INCENTIVES FOR SCIENTIFIC AND TECHNOLOGICAL ACTIVITIES**

**Article 64.** Tax policy toward scientific and technological activities

The following cases are eligible for the preferential tax policy in accordance with the tax laws:

1. Incomes from the performance of scientific research and technological development contracts;
2. Incomes from products turned out from new technologies applied for the first time in Vietnam or products in the stage of trial production;
3. Hi-tech businesses, hi-tech application agricultural businesses and a number of activities in hi-tech fields;
4. Scientific and technological services;
5. Machinery, equipment, spare parts and supplies which cannot be manufactured at home and need to be imported for direct use for scientific research and technological development;
6. Funding support of organizations and individuals for scientific research; financial aid received for use for scientific research;
7. Transfer of technologies in the fields prioritized for technology transfer to organizations and individuals in areas with difficult or exceptionally difficult socio-economic conditions;
8. Other cases prescribed in the tax laws.

**Article 65.** Credit policy toward scientific and technological activities

1. When borrowing medium- and long-term loans from the National Science and Technology Development Fund and other funds of the State for scientific and technological activities, science and technology organizations and workers may enjoy preferential loan interest rates.
2. Organizations and individuals borrowing loans for investment in scientific and technological activities may enjoy credit incentives under the charters of lending funds.
3. Organizations and individuals borrowing loans from commercial banks for investment in scientific and technological activities, especially experimental development and trial production, may be considered by the Development Bank of Vietnam for post-investment interest rate support or investment credit guarantee, with a certain rate of outstanding credit loans for scientific and technological activities;
4. Scientific and technological programs, themes and projects that directly serve key socio-economic programs of the State and development of national scientific and technological potential, especially projects on experimentation development or trial production requiring large capital, may be prioritized for being considered for use of official development assistance in the following forms:
  - a/ Non-refundable aid or preferential loans for scientific research and technological development;
  - b/ Loans for investment projects on building of scientific and technological potential or retrievable loans for projects on application of scientific research and technological development results.

**Chapter VII**

**BUILDING OF SCIENCE AND TECHNOLOGY INFRASTRUCTURE AND DEVELOPMENT OF THE SCIENCE AND TECHNOLOGY MARKET**

**Article 66.** Building of technical infrastructure for science and technology development

1. The State adopts policies on synchronous investment in and effective use of physical and technical foundations of national scientific and technological research institutions; encourages and supports the building of centers for research and application of scientific and technological advances; hi-tech zones and technological parks; builds new research centers in tertiary education institutions and upgrades existing ones to combine training with scientific research, application and commercialization of new technologies.

2. Based on socio-economic development objectives and the national science and technology development strategy, the Ministry of Science and Technology shall assume the prime responsibility for, and coordinate with relevant ministries and agencies in, elaborating and submitting to the Prime Minister for approval plans on investment in building physical and technical foundations for important science and technology organizations; national key laboratories up to regional and international standards; and the national scientific and technological database.

3. Ministries, ministerial-level agencies, government-attached agencies and other central state agencies may mobilize capital sources for investment in building physical and technical foundations of their attached science and technology organizations.

4. Provincial-level People's Committees shall decide on plans on investment in building physical and technical foundations of local science and technology organizations.

5. The Ministry of Science and Technology shall assume the prime responsibility for, and coordinate with related agencies in, inspecting and supervising the use of the state budget for science and technology development in ministries, sectors and localities, and periodically reporting it to the Prime Minister.

**Article 67.** Building of infrastructure for hi-tech development

1. The State invests in, and mobilizes social resources for, building infrastructure for hi-tech development.

2. The Ministry of Science and Technology shall assume the prime responsibility for, and coordinate with related agencies in, submitting to the Prime Minister for approval the master plan on development of hi-tech zones, hi-tech incubators and hi-tech enterprise incubators.

3. The Ministry of Agriculture and Rural Development shall assume the prime responsibility for, and coordinate with related agencies in, submitting to the Prime Minister for approval the master plan on development of hi-tech agricultural zones.

**Article 68.** Building of information infrastructure, national database and statistics on science and technology

The State invests in the building and encourages organizations and individuals to finance the building of modern information infrastructure, national database and statistics on science and technology in order to assure prompt provision of sufficient and accurate information on scientific and technological activities in the country and the world.

The Government shall specify this Article.

**Article 69.** Building and development of the science and technology market

The State adopts the following policies and measures to build and develop the science and technology market:

1. To promote all technology assignment and transfer activities on the principles of willingness, equality and mutual benefit;
2. To perfect policies and laws on intellectual property and technology transfer;
3. To apply preferential policies toward products in the stage of trial production with new technologies; products turned out from new technologies applied for the first time in Vietnam; scientific and technological consultancy; and import of hi-tech equipment and export of technologies;
4. To reward collectives and individuals that conduct activities of innovation, invention, initiative, technical improvement, production rationalization and application of transferred new technologies;
5. To establish and encourage organizations and individuals to establish scientific and technological service organizations, technology transfer promotion and assistance centers; technology trading centers and exchanges; technology and equipment markets.

**Chapter VIII**

**INTERNATIONAL INTEGRATION IN SCIENCE AND TECHNOLOGY**

**Article 70.** Principles of international integration in science and technology

1. Activeness, proactiveness and assurance of national independence, sovereignty and security and equality and mutual benefit.
2. Diversification and multilateralization of cooperation and investment with foreign countries in science and technology.
3. Science and technology development up to international standards and meeting requirements of socio-economic development and national defense and security assurance.
4. Selective absorption of experiences of developed countries and maximum utilization of opportunities for raising the capacity of scientific research and technological development, especially hi-tech development.

**Article 71.** Activities in international integration in science and technology



1. Associating with and joining foreign parties in scientific and technological activities, including:

- a/ Joining in foreign science and technology organizations and associations;
- b/ Participating in scientific and technological research, training, consultancy, conferences and seminars of foreign organizations and individuals, international organizations at home and abroad;
- c/ Establishing foreign-invested science and technology organizations in Vietnam and setting up representative offices and branches of Vietnamese science and technology organizations abroad.

2. Formulating and implementing general programs and projects on scientific research and technological development within the framework of bilateral, multilateral, regional, inter-regional and international agreements.

3. Attracting and hiring overseas Vietnamese and foreign experts and scientists to participate in scientific research and technological development programs and projects, programs of training human resources for science and technology and other scientific and technological activities in Vietnam.

4. Organizing science and technology exhibitions and forums, technology markets, trading centers and exchanges; introducing and transferring results of scientific research and technological development, especially advanced and high technologies from foreign countries and Vietnam.

5. Seeking and transferring advanced technologies from foreign countries into Vietnam.

6. Developing a network of Vietnamese science and technology representatives abroad.

**Article 72.** Measures to step up international integration in science and technology

1. Improving legal grounds for international integration in science and technology.

2. Stepping up the accession to, conclusion and implementation of, treaties and international agreements on scientific and technological cooperation.

3. Stepping up the training and retraining of human resources for science and technology to improve their professional qualifications and foreign language skills.

4. Forming a number of scientific and technological research organizations and groups up to regional and international standards.

5. Consolidating infrastructure to serve science and technology development, especially the systems of national scientific and technological databases and

key laboratories up to regional international standards. Connecting with the advanced and modern research and training information systems of the region and the world.

6. Perfecting preferential and support mechanisms and policies for Vietnamese organizations and individuals to participate in international integration in science and technology.

7. Formulating mechanisms and policies to attract overseas Vietnamese and foreign organizations and individuals to participate in science and technology development in Vietnam.

8. Efficiently using foreign loans and aid for investment in science and technology.

## **Chapter IX**

### **RESPONSIBILITY FOR STATE MANAGEMENT OF SCIENCE AND TECHNOLOGY**

#### **Article 73. Responsibilities of the Government**

1. To perform the uniform state management of science and technology nationwide and promulgate specific legal documents, mechanisms and policies to assure that science and technology development constitutes a primary national policy.

2. To direct the promulgation and implementation of legal documents, mechanisms, policies and strategy on science and technology development, and a master plan on the network of public science and technology organizations.

3. To assign and decentralize powers for the performance of state management of science and technology.

4. To direct the international integration in science and technology; to develop human resources for science and technology.

5. To direct the communication and dissemination of, and education about, the law on science and technology; to inspect the observance of the law on science and technology.

6. To direct the examination, inspection and settlement of complaints and denunciations, and handling of violations of the law on science and technology.

Annually, the Government shall report to the National Assembly on the implementation of policies and measures to develop science and technology; the use of the state budget invested in science and technology; and results of scientific and technological activities.

#### **Article 74. Responsibilities of the Ministry of Science and Technology**

The Ministry of Science and Technology is answerable to the Government for performing the state management of science and technology nationwide, and has the following responsibilities:

1. To promulgate according to its competence or propose to competent authorities to promulgate and organize the implementation of, legal documents, mechanisms, policies, strategy and plans on science and technology development, a master plan on the network of public science and technology organizations;
2. To elaborate and approve five-year and annual orientations, objectives and tasks of science and technology;
3. To uniformly manage scientific and technological tasks at all levels; to guide the elaboration and performance of scientific and technological tasks funded with the state budget at all levels, directly manage and organize the performance of national scientific and technological tasks; to elaborate and organize the performance of tasks set forth in scientific and technological programs and schemes approved by the Prime Minister;
4. To manage and efficiently use the state budget invested in science and technology; to make proposals on the structure and percentage of state budget expenditures for science and technology which serve as a basis for the assignment of annual state budget estimates;
5. To appraise the establishment of public science and technology organizations as decentralized by the Government; to permit the establishment of foreign-invested science and technology organizations; to register scientific and technological activities according to its competence;
6. To build and manage the national scientific and technological information and database system; the scientific and technological statistical system and criteria for making statistics nationwide; to step up the utilization of inventions; to develop the science and technology market;
7. To manage professional training and retraining in science and technology;
8. To communicate, disseminate and guide the implementation of the law on science and technology;
9. To enter into international cooperation in science and technology;
10. To inspect and examine or coordinate with other ministries and sectors in inspecting and examining the observance of the law on science and technology; to settle complaints and denunciations, and handling violations of the law on science and technology according to its competence; based on results of inspection and efficiency of the use of the state budget for science

and technology by agencies and organizations in each period, to propose the adjustment of budget allocations for the subsequent period;

11. To perform other tasks as authorized or assigned by the Government.

**Article 75.** Responsibilities of ministries and ministerial-level agencies

1. The Ministry of Planning and Investment has the following responsibilities:

a/ To elaborate and submit to the Government estimates of science and technology development investment expenditures at the proposal of the Ministry of Science and Technology;

b/ To coordinate with the Ministry of Science and Technology in approving investment projects on building physical and technical foundations for science and technology; to urge and inspect all sectors and levels in the efficient use of science and technology development investments for proper purposes.

2. The Ministry of Finance has the following responsibilities:

a/ To elaborate and submit to the Government estimates of science and technology non-business expenditures at the proposal of the Ministry of Science and Technology regarding the structure and percentage of state budget expenditures for science and technology;

b/ To balance and allocate in time sufficient funds according to approved funding estimates;

c/ To coordinate with the Ministry of Science and Technology in urging and inspecting all sectors and levels in efficiently using science and technology non-business budgets for proper purposes.

3. The Ministry of Home Affairs has the following responsibilities:

a/ To assume the prime responsibility for, and coordinate with the Ministry of Science and Technology in, formulating policies on use and preferential treatment of human resources for science and technology;

b/ To assume the prime responsibility for, and coordinate with the Ministry of Science and Technology and related agencies in, assigning state payrolls to public science and technology organizations.

4. Ministries and ministerial-level agencies have the following responsibilities:

a/ To perform the state management of science and technology and take responsibility for scientific and technological activities in sectors and fields which they are assigned to take charge of; to determine and organize the performance of scientific and technological tasks and manage and efficiently

use scientific and technological resources in these sectors and fields; to form specialized organizations in charge of science and technology;

b/ To coordinate with the Ministry of Science and Technology in elaborating and promulgating according to their competence, or submitting to competent agencies for promulgation, and organization of implementation of, legal documents, mechanisms, policies, strategy, plans and measures to promote science and technology development and technology renewal; to build and manage the system of scientific and technological databases, information and statistics;

c/ To promptly and adequately report on scientific and technological information and statistics to the Ministry of Science and Technology;

d/ To manage and use science and technology development investments and science and technology non-business budgets for proper purposes, with efficiency and in conformity with particularities and schedules of science and technology plans.

**Article 76.** Responsibilities of provincial-level People's Committees

Provincial-level People's Committees shall perform the state management of science and technology in their localities as decentralized by the Government, and have the following responsibilities:

1. To promulgate according to their competence, or submit to competent authorities for promulgation, and organization of implementation of, legal documents, mechanisms, policies, strategy and plans on science and technology development;
2. To use the state budget for science and technology and other social resources mainly for the application of science and technology in their localities;
3. To receive, organize the application and evaluate the efficiency of application of results of performance of scientific and technological tasks for which they have proposed the placement of orders or placed orders after such results are evaluated and tested before acceptance, and send annual reports on application results to the Ministry of Science and Technology;
4. To manage and use science and technology development investments and science and technology non-business budgets for proper purposes and with efficiency; to promptly allocate sufficient funds suitable to particularities and schedules of science and technology plans for achievement of science and technology development objectives and performance of science and technology development tasks;

5. To build and manage the system of scientific and technological database, information and statistics; to fully and truthfully report on scientific and technological statistics to competent state management agencies in charge of science and technology;
6. To communicate, disseminate and guide the implementation of the law on science and technology;
7. To examine, inspect or coordinate with other agencies in examining and inspecting the observance of the law on science and technology; to settle complaints and denunciations and handle violations of the law on science and technology according to their competence.

## **Chapter X**

### **COMMENDATION AND HANDLING OF VIOLATIONS**

#### **Article 77.** State honorable titles, science and technology rewards and prizes

1. Organizations and individuals that record merits in the cause of science and technology development may be conferred or awarded with state honorable titles in accordance with the law on emulation and commendation.
2. Ministries, ministerial-level agencies, government-attached agencies, other central state agencies and provincial-level People's Committees shall consider and award science and technology prizes to collectives and individuals that have outstanding scientific research and technological development works under their management.
3. Domestic organizations and individuals, overseas Vietnamese, international organizations, foreign organizations and individuals may create and award science and technology prizes in order to promote science and technology development in Vietnam in accordance with law.
4. The Government shall specify this Article.

#### **Article 78.** Receipt of scientific and technological titles and prizes from foreign organizations and individuals and international organizations

Science and technology organizations and workers may receive scientific and technological titles and prizes conferred or awarded by foreign organizations and individuals and international organizations in accordance with the Vietnamese law.

#### **Article 79.** Handling of violations

1. Persons who commit violations of the law on science and technology shall, depending on the nature and severity of their violations, be disciplined, administratively sanctioned or examined for penal liability and, if causing damage, pay compensations in accordance with law.

2. Organizations that commit violations of the law on science and technology shall, depending on the nature and severity of their violations, be administratively sanctioned and, if causing damage, pay compensations in accordance with law.

## **Chapter XI**

### **IMPLEMENTATION PROVISIONS**

#### **Article 80. Effect**

This Law takes effect on January 1, 2014.

Law No. 21/2000/QH11 on Science and Technology ceases to be effective from the effective date of this Law.

#### **Article 81. Detailing and guiding the implementation**

The Government and other competent state agencies shall detail and guide the implementation of articles and clauses of this Law as assigned to them.

*This Law was passed on June 18, 2013, by the XIII<sup>th</sup> National Assembly of the Socialist Republic of Vietnam at its 5<sup>th</sup> session.-*

Chairman of the National Assembly  
NGUYEN SINH HUNG