

LAW

SCIENCE AND TECHNOLOGY

Pursuant to the Constitution of the Socialist Republic of Vietnam in 1992 with a number of articles being amended, supplemented according to Resolution No. 51/2001/QH10;

The National Assembly promulgates the Law on Science and Technology.

Chapter I

GENERAL PROVISIONS

Article 1. Governing scope

This Law regulates organizations, individuals participating in science and technology activities; conduct and implementation of science and technology; measures to ensure scientific and technological development; state administration on science and technology.

Article 2. Regulated entities

This Law applies to organizations, individuals involved in science and technology activities in Vietnam.

Article 3. Interpretation of terms

In this Law, some terms are construed as follows:

1. *Science* refers to a system of knowledge about nature, laws on existence and development of things, natural and social phenomena, and thinking.
2. *Technology* refers to solutions, processes, techniques accompanied or not accompanied by tools, means used to change resources into products.
3. *Science and technology activities* refer to activities of scientific research, research and experimental development, technological development, technology applications, scientific and technological services, promoting innovation and creativity for scientific and technological development.
4. *Scientific research* refers to activities of discovering, detecting and understanding nature, laws of things, natural phenomena, societies and thinking, seeking innovative solutions for application in practice.
5. *Fundamental research* refers to research activities aimed to discover nature and law of things, natural phenomena, societies and thinking;
6. *Applied research* refers to research activities applying findings from scientific research to create new technology, innovate technology for the benefit of people and societies.

7. *Technological development* refers to the application of findings from fundamental research, applied research via experimental development and trial production to complete existing technology, create new technology.
8. *Experimental development* refers to the application of findings from scientific research and technological development to create new technological product in the form of samples.
9. *Trial production* refers to the application of findings from experimental development for trial production in order to complete new technology and product before putting into production and life.
10. *Scientific and technological services* refer to services and technical supports for scientific research and technological development; activities relating to intellectual property, technology transfers, technical regulations and standards, measurements, product and goods quality, nuclear and radiation safety and atomic energy; services of communications, consultancy, training, dissemination and application of scientific and technological achievements in socio-economic areas.
11. *Scientific and technological organizations* refer to organizations that mainly function in scientific research, technological development research, scientific and technological service activities, being established and operate according to laws.
12. *Individuals involved in science and technology activities* refer to persons carrying out science and technology activities.
13. *Science and technology tasks* refer to scientific and technological issues that need to be resolved to meet practical requirements for socio-economic development, ensuring National defense and security, scientific and technological development.
14. *Placement of order for implementation of science and technology tasks* means the person who places the order (hereinafter referred to as 'the buyer') shall provide requirements for scientific and technological products, provide expenditures to organizations, individuals involved in science and technology activities to create scientific and technological products through a contract.
15. *Infrastructure for scientific and technological development* refers to material and technical bases of scientific and technological organizations; standard measurement system, key laboratories; hi-tech zones, hi-tech agricultural zones, technology incubators, science and technology business incubators; infrastructure of science and technology statistical information.
16. *Innovation* refers to the creation, application of achievements, technical, technological and management solutions to enhance the efficiency of socio-economic development, increase productivity, quality and added value of products and goods.

Article 4. Tasks of science and technology activities

1. Construct arguments for socialism and the path toward socialism in Vietnam; construct scientific foundations for setting guidelines, policies and laws on socio-economic development, ensuring National defense and security; contribute toward the construction of advanced education and Vietnamese people; Inherit and promote values of traditional history, national culture, open to the essence of humanity culture and contribute to cultural and scientific treasures of the world;

2. Increase scientific and technological capability to master state-of-the-art technology, high technology, advanced management method; make appropriate use of natural resources, protect the environment and human health; make early forecasts, prevention, control, and remedy for natural disasters;

3. Be open to global scientific and technological achievements to create and apply new technology effectively; create highly competitive products; develop science and technology in Vietnam to reach advanced level in the region, and further to the world, serve as solid foundations for the development of modern industrial branches; strengthen dissemination and application of scientific and technological achievements to production and life;

Article 5. Principles of science and technology activities

1. Originate from practical needs for socio-economic development, national defense and security and scientific and technological development;

2. Construct and promote endogenous capacities of science and technology in combination with selective acquisition of global scientific and technological achievements in accordance with reality in Vietnam;

3. Ensure freedom in creation and promotion of democracy in science and technology activities for the development of the country;

4. Be honest, objective and heighten professional ethics, self-control and self-responsibility;

5. Ensure safety for lives, human health and environmental protection;

Article 6. State policies on scientific and technological development

The State shall implement following policies to ensure scientific and technological development is the top national policy:

1. Prioritize and gather all national resources for scientific and technological development; apply preferential treatment and incentives consistently to promote central role and driving force of science and technology for socio-economic development, ensuring National defense and security, environmental protection and improvement of the quality of people's life;

2. Develop areas of social sciences and humanities, natural science, technical and technological science consistently; attach the tasks of scientific and technological development to the tasks of socio-economic development, ensuring National defense and security; pave the way for the formation and development of knowledge economy;

3. Step up research and application of achievements of advanced and modern science and technology, research to master and create new technologies with the aim of innovating and improving technological level and competitiveness of the products;

4. Focus efforts on the investment and construction of material and technical bases with much importance attached to the areas of science and technology of priority and national importance; apply preferential treatment and incentives for development, training, attraction and effective employment of human resources;

5. Create favorable conditions for the development of scientific and technological market;

6. Encourage and create favorable conditions for businesses to make investment in science and technology activities, innovate and improve technological levels;

7. Encourage and create favorable conditions for scientific and technological associations, socio-political organizations, social organizations, socio—occupational organizations to participate in consultancy, social counter-arguments and science and technology activities;
8. Be actively involved in international integration on science and technology; increase national position in terms of science and technology in the region and in the world;

Article 7. Vietnam Science and Technology Day

Vietnam Science and Technology Day is May 18.

Article 8. Prohibited acts

1. Take advantage of science and technology activities to invade interests of the State, lawful rights and interests of organizations, individuals; cause damage to natural resources and environment, human health;
2. Invade intellectual property rights; appropriate, assign and transfer scientific and technological results illegally;
3. Disclose documents and scientific and technological results that belong to the list of state secrets; practice deception and falsification in science and technology activities;
4. Hinder lawful science and technology activities by organizations and individuals;

Chapter II

SCIENTIFIC AND TECHNOLOGICAL ORGANIZATIONS

Section 1. ESTABLISHMENT, RIGHTS AND OBLIGATIONS OF SCIENTIFIC AND TECHNOLOGICAL ORGANIZATIONS

Section 9. Manners and classification of scientific and technological organizations

1. Manners of scientific and technological organizations:
 - a) Organizations of scientific research and technological development are organized in the form of academies, institutes, centers, laboratories, research stations, monitoring stations, testing stations and other forms as stipulated by the Minister of Science and Technology;
 - b) Higher education institutions are organized according to the Law on Higher Education;
 - c) Organizations of scientific and technological services are organized in the form of centers, offices, laboratories and other forms as stipulated by the Minister of Science and Technology;
2. scientific and technological organizations are classified as follows:
 - a) According to the authority for establishment, scientific and technological organizations comprise types of organizations as prescribed in Clause 1, Article 12 hereof;
 - b) According to prescribed functions, scientific and technological organizations comprise basic research organizations, applied research organizations, scientific and technological service organizations;
 - c) According to ownership manner, scientific and technological organizations comprise public scientific and technological organizations, non-public scientific and technological organizations, foreign-invested scientific and technological organizations;

Article 10. Master plan for network of public scientific and technological organizations

1. Based on the tasks of socio-economic development, national defense and security and strategy for national scientific and technological development, the Ministry of Science and Technology shall preside over and cooperate with ministries, ministerial-level agencies, Governmental agencies, People's Committees of central-affiliated cities and provinces and other regulatory agencies in establishing and submitting the master plan for a network of public scientific and technological organizations to the Prime Minister for approval.

2. Establishment of the master plan should be in compliance with following principles:

Establishment of the master plan should be consistent and appropriate to requirements for scientific and technological development and socio-economic development, national defense and security;

b) Attach scientific and technological organizations to training institutions and organizations for application of findings from scientific research and technological development;

c) Ensure the objectives for improving national scientific and technological capability are achieved with much importance attached to the areas of science and technology directly serving the tasks of socio-economic development, national defense and security;

d) Ensure effective use of resources of the State, step up private sector involvement in scientific and technological development, especially in the areas of scientific and technological of priority and importance;

Article 11. Requirements for establishment and registration for operation of science and technology activities

1. Requirements for the establishment of scientific and technological organizations are as follows:

Have a charter for organization and operation, objectives and guidelines in accordance with laws;

b) Human resources, material and technical bases meet requirements for implementation of objectives, guidelines and the Charter for organization and operation;

2. In addition to provisions prescribed in Clause 1, this Article, the establishment of scientific and technological organizations should be in compliance with the master plan for the network of scientific and technological organizations and appraising opinions from State administration agencies on scientific and technological according to the Government's decentralization.

In case the Ministry of Science and Technology establishes affiliated scientific and technological organizations, the Minister of Science and Technology shall establish the interdisciplinary council for to perform assessment.

3. The establishment of foreign-invested scientific and technological organizations should accord with provisions as prescribed in Clause 1, this Article and meet following requirements:

Purposes, contents and areas of operation should accord with laws, requirements for scientific and technological development and socio-economic development in Vietnam;

b) The establishment should be approved by the Minister of Science and Technology;

c) Be headquartered in localities under permission of People's Committees of central-affiliated cities and provinces (hereinafter referred to as 'People's committees of provinces');

4. Scientific and technological organizations should register operations with relevant state administration agencies and be granted the operation registration certificate.

5. The Government shall detail conditions for establishment, authority, sequence and procedures on registration of operation with scientific and technological organizations;

Article 12. Authority, sequence, procedures on establishment, merger, division, separation, dissolution of scientific and technological organizations

1. Authority for establishment of scientific and technological organizations is stipulated as follows:

National Assembly, the Standing committee of the National Assembly of the Socialist Republic of Vietnam shall establish scientific and technological organizations that belong to National Assembly, the Standing committee of the National Assembly of the Socialist Republic of Vietnam;

b) The Government shall establish scientific and technological organizations that belong to the Government.

c) The Supreme People's Court shall establish scientific and technological organizations that belong to the Supreme People's Court.

d) The Supreme People's Procuracy shall establish scientific and technological organizations that belong to the Supreme People's Procuracy;

dd) The Prime Minister shall establish or empower ministers, heads of ministerial-level agencies, Governmental agencies to establish scientific and technological organizations that belong to ministries, ministerial-level agencies, Governmental agencies;

e) Ministers, heads of ministerial-level agencies, Governmental agencies shall establish scientific and technological organizations that belong to ministries, ministerial-level agencies, Governmental agencies unless otherwise as regulated in Point dd, this Clause;

g) People's committees of provinces shall establish scientific and technological organizations in localities within competence;

h) Political organizations, socio-political organizations, social organization, socio-occupational organizations shall establish scientific and technological organizations according to laws and the Charter;

Other businesses, organizations and individuals shall establish scientific and technological organizations of their own.

2. Agencies, organizations, and individuals that establish scientific and technological organizations shall be entitled to make decisions on merger, division, separation and dissolution of scientific and technological organizations; stipulate functions, duties of scientific and technological organizations in accordance with laws;

3. The Government shall detail sequence, procedures on establishment, merger, division, separation, dissolution of scientific and technological organizations.

Article 13. Rights of scientific and technological organizations

1. Exercise self-control and self-responsibility for science and technology activities in the licensed areas; Public scientific and technological organizations shall be structured in terms of personnel by the State.
2. Register for participation in recruitment or directly tasked with implementing science and technology tasks; sign science and technology contracts; train human resources, talented persons in science and technology;
3. Establish scientific and technological organizations, businesses or affiliated scientific and technological businesses, representative offices, branches at home and abroad for science and technology activities as prescribed hereof and other relevant law provisions;
4. Form a partnership, joint-venture, receive aids, grants from organizations, individuals; contribute capital in cash, assets, intellectual property rights for science and technology activities , production and business according to laws;
5. Have intellectual property rights protected; transfer results of science and technology activities according to laws on intellectual property and technology transfer;
6. Announce results of science and technology activities according to the Law on Journalism, the Law on Publishing and other law provisions;
7. Provide consultancy, make proposals for the establishment of policies, laws, plans for socio-economic development, plans for scientific and technological development of the State to competent agencies;
8. Participate in activities of international integration on science and technology;
9. Be eligible for conversion of part or whole into a scientific and technological business according to laws;

Article 14. Obligations of scientific and technological organizations

1. Register science and technology activities; perform science and technology activities according to the areas as prescribed in the operation registration certificate;
2. Undertake signed science and technology contracts, science and technology tasks assigned by competent organizations;
3. Exercise democracy, equality and public disclosure in the use of budgets and undertake science and technology tasks;
4. Ensure budgets for regular fundamental scientific research activities within functions; use budgets for investment in scientific and technological as prescribed by laws;
5. Register, store and transfer findings from state budget-based scientific research and technological development;
6. Implement statistical reporting on science and technology;
7. Protect interests of the State and societies, lawful rights and interests of individuals involved in science and technology activities in organizations; keep state secrets on science and technology;

Article 15. Foreign scientific and technological organizations' representative offices, branches in Vietnam

1. Foreign scientific and technological organizations may establish representative offices, branches in Vietnam for science and technology activities, or activities directly related thereto as prescribed hereof and other relevant law provisions;
2. The establishment of foreign-invested scientific and technological organizations should accord with provisions as prescribed in Clause 1, this Article and meet following requirements:
Be a legal scientific and technological organization of international organizations, country or territory where such organization is established or operates;
 - b) Meet requirements as prescribed in Clause 3, Article 11 hereof;
 - c) Operate in the areas of scientific and technological demanded by Vietnam;
 - d) Be committed to complying strictly with laws of Vietnam and International Agreement to which Vietnam is a signatory;
3. Vietnam representative office establishment certificates should be granted by the Minister of Science and Technology with validity period no more than five years.
4. Representative offices, branches of foreign scientific and technological organizations shall perform science and technology activities stated in establishment licenses and exercise rights and obligations as prescribed hereof and other relevant law provisions;
5. The Government shall detail conditions, sequence and procedures on the establishment of representative offices, branches in Vietnam by foreign scientific and technological organizations;

Section 2. ASSESSING AND RANKING SCIENTIFIC AND TECHNOLOGICAL ORGANIZATIONS

Article 16. Purposes and principles for assessing and ranking scientific and technological organizations

1. Assessment of scientific and technological organizations refers to use of professional knowledge and competence to determine capacities and operational efficiency of scientific and technological organizations.
2. Assessment of scientific and technological organizations is aimed at following purposes:
Create foundations for ranking scientific and technological organizations;
 - b) Support activities of planning policies on scientific and technological development and the master plan for a network of scientific and technological organizations;
 - c) Serve as foundations for recruitment to organizations that preside over the implementation of science and technology tasks, state budget-based investment preferential policies, provision of loans, sponsorship and loan guarantee...
3. Assessment and ranking of scientific and technological organizations are carried out according to following principles:
Have appropriate assessment methods, criteria;
 - b) Independence, equality, honesty, objectivity and lawfulness;
 - c) Results of assessment and ranking should be publicly announced.

Article 17. Assessment of scientific and technological organizations serving State administration

1. Public scientific and technological organizations should be assessed for serving State administration.
2. Assessment of scientific and technological organizations serving State management shall be conducted by State administration agencies or an independent assessing organization.
3. Assessment of scientific and technological organizations is based on criteria and assessment methods stipulated by the Minister of Science and Technology for each type of scientific and technological organizations.

Article 18. Independent assessment organizations

1. Organizations, individuals that have legal capacities are eligible for assessing and ranking scientific and technological organizations according to this Law and other relevant law provisions;
2. Assessment and ranking of scientific and technological organizations should be in compliance with the principles as prescribed in Clause 3, Article 16 hereof.
3. Organizations, individuals performing assessment and ranking shall be responsible for the results of assessment and ranking.

Chapter III

INDIVIDUALS INVOLVED IN SCIENCE AND TECHNOLOGY ACTIVITIES, DEVELOPMENT OF HUMAN RESOURCES IN SCIENCE AND TECHNOLOGY

Article 19. Scientific research titles and technological titles

1. Scientific research titles refer to the names that express scientific research levels and capacities of individuals involved in the areas of science including research assistants, researchers, high-ranking researchers.

Individuals who are involved in science and technology activities and participate in teaching and training at higher and postgraduate education shall be considered for appointment as professors or associate professors. Procedures on consideration for appointment are instructed in the Law on Higher Education;

2. Technological titles refer to the names that show scientific research levels and capacities of individuals involved in the areas of science including research assistants, researchers, high-ranking researchers.

The Government shall detail technological titles and procedures on recognition and appointment of scientific research titles and technological titles.

3. Persons who have obtained doctorate degrees or had excellent scientific and technological research works, or won top prize for science and technology shall be recognized and appointed to scientific research titles, technological titles of higher rank regardless of work period.
4. Ministry of Home Affairs shall preside over and cooperate with the Ministry of Science and Technology, relevant ministries, ministerial-level agencies in stipulating the lists, standards and codes of scientific research titles and technological titles.

Article 20. Rights of individuals involved in science and technology activities

1. Have freedom for creation and equality in science and technology activities;
2. Do on one's own or cooperate with other organizations, individuals in science and technology activities, signing science and technology contracts;
3. Enjoy favorable conditions for participation and implementation of science and technology tasks according to functions of the scientific and technological organization of which one is the member;
4. Establish scientific and technological businesses, scientific and technological organizations in a number of fields according to the Government's regulations;
5. Register for participation in recruitment or directly tasked with implementing science and technology tasks;
6. Have intellectual property rights protected; transfer results of science and technology activities according to laws on intellectual property and technology transfer;
7. Announce results of science and technology activities according to the Law on Journalism, the Law on Publishing and other law provisions;
8. Contribute capital in cash, assets, intellectual property rights for science and technology activities, production and business according to laws; receive sponsorship for science and technology activities according to laws;
9. Provide consultancy, propose suggestions for the establishment of policies, laws, plans for socio-economic development, plans for scientific and technological development of the state to competent agencies; plans for scientific and technological development of the scientific and technological organization of which one is the member;
10. Participate in scientific and technological organizations, scientific and technological associations; participate in activities of training, consulting, scientific and technological conferences, seminars; participate in activities of international cooperation on science and technology;
11. Be recognized, appointed to titles as prescribed in Article 19 hereof;
12. Be entitled to commendation, preferential treatment, supports according to laws;

Article 21. Obligations of individuals involved in science and technology activities

1. Contribute intelligence and talents to the cause of scientific and technological development, socio-economic development, national defense and security;
2. Implement signed science and technology contracts;
3. Implement science and technology tasks assigned by competent agencies, organizations;
4. Register, store and transfer findings from state-funded scientific research and technological development;
5. Keep state secrets on science and technology, protect interests of the State and societies;

Article 22. Training for human resources and talents involved in science and technology

1. Based on the master plan for development of national human resources, the Minister of Science and Technology shall grant approval for the master plan for development of scientific and technological human resources at the proposal of ministries, ministerial-level agencies, Governmental agencies, People's committees of provinces and other regulatory agencies.
2. The Ministry of Education and Training shall preside over and cooperate with the Ministry of Science and Technology, relevant ministries in organizing higher and postgraduate training; Seek talents and train science and technology-related human resources with much importance attached to highly-qualified human resources for the areas of priority and great importance.
3. The Ministry of Science and Technology shall preside over and cooperate with relevant agencies and organizations in organizing training to heighten professional qualifications and competence in science and technology for science and technology teams across the country.
4. The State shall encourage and create favorable conditions for organizations and individuals to organize training on their own or finance training for human resources and talents in science and technology; encourage training and employment of female resources in science and technology with priority given to attraction and training for human resources in the areas facing extreme socio-economic difficulties.
5. Budgets for organizing training for human resources as prescribed in Clause 2, this Article shall be guaranteed by state budget. Budgets for organizing training in professional qualifications and competence as prescribed in clause 3, this Article shall be derived from non-business expenditures for science and technology activities.
6. The Government shall detail this Article.

Article 23. Preferential treatment for use of human resources and talents in science and technology

1. Persons who are appointed to scientific research titles, technological titles shall be entitled to following preferential treatment:

Be placed in a working position with salary and allowances in line with profession and qualification in the public scientific and technological organization;

b) Be entitled to tax incentives as prescribed in Article 64 hereof;

c) Be entitled to adequate working equipment and working conditions more favorable than cadres and public servants and meeting requirements for implementation of science and technology tasks assigned;

d) Be exempted from civil liability in the event of damage or risk caused to the State during the implementation of science and technology tasks for some objective reason if all procedures and regulations are fulfilled;

2. Leading scientists shall be entitled to following preferential treatment in addition to incentives as prescribed in Clause 1, this Article:

Implement important science and technology tasks as a favor;

b) Establish excellent research group in the field of expertise of one's own and be granted expenditures for operation of such group;

- c) Propose, participate in the construction, assessment and criticism for policies of industries, areas and the country on scientific and technological development;
- d) Be entitled to preferential allowances according to the Government's regulations;
- e) Receive financial assistance for participation in scientific conferences, workshops at home and abroad on the areas of expertise;

3. Scientists who are tasked with presiding over national science and technology tasks of special importance shall be entitled to following preferential treatment in addition to incentives as prescribed in Clause 1, this Article:

Receive salaries and incentive allowances as agreed with regulatory agencies that assign the duties; Be granted official residences, travel vehicles for public services during the performance of the assignments;

- b) Make proposals for mobilization of science and technology human resources, budgets for implementation of the tasks and material and financial resources to ensure the implementation;
- c) Employ experts at home and abroad; negotiate costs for the employment of experts; make decisions on acquisition of patents, designs, technical documents and technological know-how serving the tasks within allocated budget estimates;
- d) Receive financial assistance for participation in scientific conferences, workshops at home and abroad on the areas of expertise;
- dd) Have absolute discretion to make decisions on the organization of assigned tasks;

4. Talented young scientists shall be entitled to following preferential treatment in addition to incentives as prescribed in Clause 1, this Article:

Have priority in domestic and overseas scholarship considerations;

- b) Establish excellent research group in one's field of expertise and be granted expenditures for operation of this group;
- c) Have priority in presiding over and participating in the implementation of other science and technology tasks;
- d) Receive financial assistance for participation in scientific conferences, workshops at home and abroad on the areas of expertise;

5. The Government shall detail this Article.

Article 24. Attraction of overseas Vietnamese and foreign experts working in the areas of science and technology

1. Overseas Vietnamese and foreign experts working in the areas of science and technology are encouraged to participate in science and technology activities in Vietnam.
2. During the time of working in Vietnam, overseas Vietnamese who work in the areas of science and technology shall have the rights and obligations as prescribed in Articles 20 and 21 hereof and be entitled to following preferential treatment:

Employed, appointed as leader of a scientific and technological organization; tasked with presiding over the implementation of science and technology tasks at all levels; recognize and appoint scientific research titles, technological titles as prescribed in Article 19 hereof;

- b) Be entitled to expert salaries according to the Government's regulations;
 - c) Be entitled to preferential treatment for entry and exit, residence, housing and other incentives as prescribed;
3. Foreign experts shall be encouraged to participate in science and technology activities in Vietnam and entitled to following preferential treatment:
- Employed as leader of a scientific and technological organization; tasked with presiding over the implementation of science and technology tasks;
- b) Be entitled to preferential treatment for entry and exit, residence, housing and other incentives as prescribed;
 - c) Be entitled to expert salaries according to the Government's regulations and other incentives according to the contract;
4. Overseas Vietnamese and foreign experts who have made significant contributions toward the cause of scientific and technological development in Vietnam shall be honored by the State, commended and awarded prizes for science and technology in Vietnam.
5. The Government shall detail this Article.

Chapter IV

DETERMINATION, ORGANIZATION OF IMPLEMENTATION OF SCIENCE AND TECHNOLOGY TASKS

Section 1. DETERMINATION OF SCIENCE AND TECHNOLOGY TASKS

Article 25. Science and technology tasks

1. Science and technology tasks are organized in the form of programs, topics, projects and research tasks according to functions of scientific and technological organizations and other forms.

2. Science and technology tasks using the State budget are composed of science and technology tasks at national, ministerial, provincial and grassroots levels as prescribed in Article 27 hereof.

Science and technology tasks at national, ministerial and provincial levels must be implemented in the form of order placement.

3. The State shall encourage and create favorable conditions for organizations, individuals to propose scientific ideas and science and technology tasks.

The Government shall define criteria for determination of science and technology tasks at all levels in accordance with each development period and the areas of science and technology; measures to encourage proposals for scientific ideas, science and technology tasks;

Article 26. Proposals for science and technology tasks

1. Making proposals for science and technology tasks using state budget are prescribed as follows:

Agencies, organizations, and individuals shall send proposals for science and technology tasks to ministries, ministerial-level agencies, Governmental agencies, People's committees of provinces

and central agencies in accordance with industries, areas and administrative divisions for compilation.

Ministries, ministerial-level agencies, Governmental agencies, People's committees of provinces and central agencies shall organize collection of suggestions on determination of science and technology tasks and make public announcement of order placement corresponding to their own levels and send proposals for order placement for science and technology tasks at national level to the Ministry of Science and Technology;

b) The Ministry of Science and Technology shall be responsible for compiling proposals for order placement, organizing collection of suggestions on science and technology tasks at national level and making public announcement;

c) The Minister of Science and Technology, on its own or at the request of the Government, the Prime Minister, shall propose order placement for urgent science and technology tasks at national level that have significant impacts on socio-economic development of the country, national defense and security; organize collection of suggestions on these tasks;

d) Collection of suggestions on determination of science and technology tasks shall be carried out through the Consulting Council.

The Consulting Council and its powers are established and defined respectively by heads of competent agencies, organizations Components of the Consulting Council comprise reputable scientists, managers and entrepreneurs. In case of need, heads of competent agencies, organizations are entitled to collect suggestions from independent consultants before or after the Council meeting. Members of the Council and independent consultants shall be responsible for their consultancy.

2. Making proposals for science and technology tasks without the use of state budget may refer to Clause 1, this Article.

3. The Minister of Science and Technology shall detail this Article.

Article 27. Authority for approval and execution of contract for implementation of science and technology tasks

1. Authority for approval of science and technology tasks is prescribed as follows:

Based on the strategy, plan for socio-economic development and national strategy for scientific and technological development, the Ministry of Science and Technology shall grant approval for the guidelines, targets and tasks of science and technology in a five-year period and annual national science and technology tasks;

b) Ministries, ministerial-level agencies, Governmental agencies, central agencies and People's committees of provinces shall be responsible for granting approval science and technology tasks at ministerial and provincial levels;

c) Organizations, individuals not prescribed in Points a and b, this Clause shall grant approval of science and technology tasks at grassroots level by themselves or make submission to competent agencies for approval as prescribed.

2. Authority for execution of a contract for implementation of science and technology tasks with organizations, individuals is prescribed as follows:

The Ministry of Science and Technology shall sign contracts for implementation of science and technology tasks at national level;

b) Ministries, ministerial-level agencies, Governmental agencies, central agencies and People's committees of provinces shall sign contracts for implementation of science and technology tasks at ministerial and provincial levels;

c) Organizations, individuals as prescribed in Point c, Clause 1, this Article shall sign contracts for implementation of science and technology tasks at grassroots level.

3. Ministries, ministerial-level agencies, Governmental agencies, central agencies and People's committees of provinces shall be responsible for making reports on approval and execution of contracts to the Ministry of Science and Technology for compilation and putting in national science and technology database.

Section 2. MANNERS OF IMPLEMENTATION OF SCIENCE AND TECHNOLOGY TASKS

Article 28. Manners of implementation of science and technology tasks

1. Science and technology tasks using state budget shall be assigned in the manner of selection, direct assignment, consideration of state-funded sponsorship in the areas of science and technology;

2. Science and technology tasks without the use of state budget may be implemented according to the manner as prescribed in Clause 1, this Article or other methods selected by organizations, individuals.

Article 29. Selection of organizations, individuals for implementation of state-funded science and technology tasks

1. Selection for implementation of science and technology tasks using state budget is to determine organizations, individuals implementing science and technology tasks and to ensure competitiveness, fairness and efficiency.

2. Science and technology tasks involving multiple organizations, individuals should be assigned in the manner of selection in order to achieve maximum efficiency.

3. State administration agencies for science and technology at all levels should make public announcement of the list of science and technology tasks, requirements and procedures on participation for selection on their websites or other means of mass media;

4. Selection of organizations, individuals for the implementation of science and technology tasks should ensure public disclosure, fairness, democracy and objectivity; results of selection shall be made public on the websites or other means of mass media.

5. Heads of state administration agencies for science and technology at all levels shall establish the council for the selection of organizations, individuals for the implementation of science and technology tasks and define duties and authority of this Council.

The Council and its authority shall be established and defined respectively by heads of state administration agencies for science and technology at all levels. The Council shall provide consultancy and be responsible for its consultancy. Components of the Council comprise reputable and qualified scientists, managers and entrepreneurs. Members of the Council should

have capacity, personal morality and professional competence in accordance with science and technology tasks and be responsible for their own consultancy.

6. Heads of state administration agencies for science and technology at all levels shall be responsible to the law for selecting organizations, individuals for the implementation of science and technology tasks after receiving consultancy from the Council. In case of need, heads of State administration agencies for science and technology at all levels may collect more suggestions from independent consultants before making decisions.

7. The Minister of Science and Technology shall detail the selection of organizations, individuals for the implementation of science and technology tasks.

Article 30. State-funded science and technology tasks directly assigned

1. The State shall directly assign organizations, individuals to implement science and technology tasks for one of following cases:

Science and technology tasks of national secrets, having special characteristics for serving National defense and security;

b) Irregular science and technology tasks;

c) Science and technology tasks which only one scientific and technological organization is suitably qualified to perform.

2. Heads of state administration agencies have the authority to make decisions on the assignment of science and technology tasks as prescribed in this Article after collecting suggestions from the Consulting Council and shall be responsible for such assignment. Organizations, individuals tasked with presiding over the tasks should have adequate appropriate capacity, conditions and professional competence.

In case of need, heads of state administration agencies may collect more suggestions from independent consultants before making decisions.

3. The Government shall detail this Article.

Article 31. Science and technology tasks sponsored, loaned or guaranteed by science and technology funds

Organizations, individuals are entitled to make proposals for science and technology tasks to funds for scientific and technological development, funds for technological innovation, funds for venture hi-tech investment and other fees in the areas of science and technology for sponsorship, loans, loan guarantees according to Charter of organization and operation of the funds.

Article 32. Forming associations for determination and implementation of science and technology tasks

1. The state shall encourage and create favorable conditions for scientific and technological organizations, scientists to associate with other enterprises and organizations for determination and implementation of science and technology tasks serving requirements for innovation and enhancement of technological levels, productivity, quality and competitiveness of products, goods.

2. Financial assistance from the State for the implementation of science and technology tasks as prescribed in Clause 1, this Article is prescribed as follows:

30% of the capital investment for projects owned by businesses that apply findings from science and technology tasks for creation of new products or enhancement of productivity, quality and competitiveness of products from the findings from science and technology tasks; 50% of the capital investment for projects carried out in difficult or extremely difficult socio-economic areas;

b) 50% of the capital investment for projects on implementation of national-level science and technology tasks of priority and national importance;

3. The Government shall detail conditions, manners, sequence, procedures and state subsidy level for science and technology tasks as prescribed in this Article;

Section 3. SCIENCE AND TECHNOLOGY CONTRACT

Article 33. Classification of science and technology contracts

1. Science and technology tasks, scientific and technological service activities shall be carried out through a science and technology contract.

2. Types of science and technology contracts:

Contract for scientific research and technological development;

b) Contract for technology transfers;

c) Contract for scientific and technological services;

3. The Minister of Science and Technology shall prescribe forms of the contracts as prescribed in Point a, Clause 2, this Article.

Article 34. Rights and obligations of buyer under contract for scientific research and technological development

1. The buyer under the contract for scientific research and technological development shall have following rights:

Be the owner of findings from scientific research and technological development unless otherwise as regulated in the contract;

b) Organize transfer of ownership or right of use of findings from scientific research and technological development;

2. The buyer under the contract for scientific research and technological development shall have following obligations:

Provide necessary information for the execution of the contract;

b) Organize acceptance testing for performance of order placement duties;

c) Receive and develop application or transfer of research findings after acceptance;

d) Make payments to the buyer according to the contract.

Article 35. Rights and obligations of seller (party that receives order placement) under contract for scientific research and technological development

1. The seller under the contract for scientific research and technological development shall have following rights:

Be entitled to the copyright on the findings from scientific research and technological development;

b) Request the buyer to provide information and other necessary conditions as agreed in the contract for the implementation of the contract;

c) Receive payment from the buyer for the implementation of the contract;

2. The seller under the contract for scientific research and technological development shall have following obligations:

b) Hand over research findings, transfer the product as agreed in the contract;

b) Keep confidential for findings from scientific research and technological development as agreed;

c) Do not transfer findings from scientific research and technological development to others without consent of the buyer;

Article 36. Settlement of disputes in science and technology contracts

1. The breaching party shall make compensations for damage caused and be subject to handling according to laws;

2. Disputes under science and technology contracts shall be settled first on the principle of reconciliation, direct negotiation between the parties. If the disputes cannot be settled by the two parties, such disputes shall be brought to court the arbitrator or court for final settlement.

Section 4. ASSESSMENT, ACCEPTANCE, REGISTRATION AND STORAGE OF FINDINGS FROM SCIENCE AND TECHNOLOGY TASKS

Section 37. Assessment and acceptance of findings from science and technology tasks

1. State-funded science and technology tasks, upon completion, should be assessed and test for acceptance by relevant science and technology council in an objective and accurate way. Persons who assign science and technology tasks within competence (the assignor) shall make decisions on acceptance of the findings from science and technology tasks. In case of need, the assignor may collect more suggestions from independent consultants before making decisions on acceptance.

2. Science and technology tasks not using the State budget shall be assessed and tested for acceptance by organizations, individuals themselves. Organizations, individuals may request state administration agencies in localities to carry out assessment and acceptance if they cannot do it themselves.

3. Findings from science and technology tasks not using state budget that affect interests of the country, national defense and security, environment, human lives and health should be assessed by competent state administration agencies for science and technology.

4. Annually, the Ministry of Science and Technology shall make public announcement of the lists of state-funded science and technology tasks being accepted.

5. The Minister of Science and Technology shall define criteria, procedures on assessment and acceptance of findings from science and technology tasks.

Article 38. Special-Purpose Science and Technology Council, independent consultants carrying out assessment and acceptance of findings from science and technology tasks

1. The assignor shall be responsible for establishing Special-Purpose Science and Technology Council or hiring independent consultants to carry out assessment and acceptance of findings from science and technology tasks.
2. Components of Special-Purposed Science and Technology Council comprise scientists, representatives of agencies, organizations making proposals for order placement, agencies, organizations placing orders, suitably qualified managers, and entrepreneurs.
3. Independent consultants should have suitable qualifications and professional competence.
4. The Special-Purpose Science and Technology Council and independent consultants shall carry out assessment and acceptance of findings from science and technology tasks according to purposes, requirements, contents, results and progress stated in the signed contract and bear responsibility to the assignor.
5. Relevant Science and Technology Council and independent consultants shall be responsible for their own assessment.

Article 39. Registration and storage of findings from science and technology tasks

1. Findings from state-funded science and technology tasks should be registered and stored at national agency for science and technology information and competent agencies affiliated to governing ministries, departments and localities.

Findings from science and technology tasks that belong to the lists of national secrets shall be registered and stored in secrecy.

2. Findings from science and technology tasks not using state budget are encouraged to be registered and stored at national agency for science and technology information and competent agencies affiliated to governing ministries, departments and localities.

Article 40. Responsibility for reception and application of findings from science and technology tasks

1. For state-funded science and technology tasks, the ministers, heads of ministerial-level agencies, Governmental agencies, other central state agencies, presidents of People's committees of provinces, heads of political organizations, socio-political organizations shall be responsible for receiving and organizing application, allocation of budgets and assessment of the application of research findings that they propose order placement or place orders after assessment and acceptance, and make annual reports on results of application to the Ministry of Science and Technology.
2. For science and technology tasks not using state budget, organizations, individuals may request relevant state administration agencies in localities to create favorable conditions for carrying out the application of research findings if they cannot do it by themselves.
3. Competent state agencies shall be responsible for receiving, storing and considering application of the findings from science and technology tasks donated to the State by organizations, individuals.

Section 5. Ownership or copyright on findings from scientific research and technological development

Article 41. Ownership or copyright on findings from scientific research and technological development;

1. Organizations, individuals that provide finance and material and technical bases for the implementation of science and technology tasks shall be owner of findings from scientific research and technological development unless otherwise as regulated in the contract for scientific research and technological development.

2. For findings from state budget-based scientific research and technological development, the representatives of state ownership are prescribed as follows:

The Minister of Science and Technology shall be owner's representative for findings from science and technology tasks at national level;

b) Ministries, ministerial-level agencies, Governmental agencies, other central state agencies and presidents of People's committees of provinces shall be owner's representative for findings from ministerial, provincial or grassroots science and technology tasks they approve;

c) Heads of agencies, organizations not prescribed in Points a and b, this Clause shall be owner's representative for findings from science and technology tasks they approve.

3. State owner's representatives as prescribed in Clause 2, this Article are entitled to assign part or whole of the ownership or right of use of findings from state-funded scientific research and technological development according to the Government's regulations to the organizations that preside over the implementation of science and technology tasks.

4. Exercising rights of ownership, rights of use of findings from state-funded scientific research and technological development as prescribed in Clause 3, this Article shall be prescribed as follows:

a) If being transferred whole or part of the ownership, the organization that presides over the implementation of science and technology tasks shall exercise this right according to laws on intellectual property and laws on technology transfers;

b) If being transferred the right of use, the organization that presides over the implementation of science and technology tasks shall exercise this right according to laws;

5. If the organization that presides over the implementation of science and technology tasks cannot use findings from scientific research and technological development as prescribed in Point b, Clause 4, this Article, the state owner's representative as prescribed in Clause 2, this Article shall transfer such right to other organizations that are able to use the findings.

6. The Government shall detail sequence, procedures on transferring whole or part of the ownership or right of use of findings from scientific research and technological development as prescribed in this Article.

Article 42. Copyright on findings from scientific research and technological development

Persons who directly implement science and technology tasks shall be author of the findings thereto. The author shall be entitled to the copyright according to this Law and other relevant law provisions;

Article 43. Distribution of profits from use, transfer of right of use, transfer of capital, distribution of capital in the form of research findings

At least 30% of the profits earned from the use, transfer of the right of use, transfer of capital, contribution of capital in the form of findings from state-funded scientific research and technological development shall be dispensed to the author; the remainder shall be dispensed amongst owners, presiding agencies, brokers according to the Government's regulations.

Chapter V

APPLICATION OF FINDINGS FROM SCIENTIFIC RESEARCH AND TECHNOLOGICAL DEVELOPMENT, AND DISSEMINATION OF KNOWLEDGE OF SCIENCE AND TECHNOLOGY

Article 44. Responsibility for application of findings from scientific research and technological development

1. Responsibility of the buyer for application of findings from state-funded scientific research and technological development is prescribed in Article 40 hereof.

The buyer who fails to fulfill responsibilities as prescribed in this Clause shall be handled by laws.

2. Organizations, individuals that preside over the implementation of state-funded science and technology tasks shall be responsible for participating in the application of research findings to production and life according to the science and technology contract, requirements and instructions of the buyer unless otherwise force majeure events arise.

Organizations, individuals that preside over the implementation of science and technology tasks shall be handled by laws and banned from science and technology tasks for three years if found not to have fulfilled responsibility prescribed in this Clause.

Article 45. Encouraging application of findings from scientific research and technological development

1. Organizations, individuals that apply findings from scientific research and technological development, especially high technology, exploit and use invention to innovate socio-economic management, technology and enhance competitiveness of products shall be entitled to tax, credit and other incentives as prescribed hereof and in other relevant law provisions.

2. Owners, author and person who have successfully applied findings from scientific research and technological development shall enjoy benefits from application of such findings to production and life according to science and technology contract and this Law.

3. Successful application of scientific and technological achievements to production and life shall be one of main criteria for evaluation of capacity of authors, heads of scientific and technological organizations, enterprises; serve as foundations for the State to assign state-funded science and technology tasks; receive financial assistance from state funds for science and technology activities.

4. Organization of agricultural, forestry, fishery, industrial extension, scientific and technological services shall receive tax and other incentives according to laws to quicken application of findings from scientific research and technological development to production and life.

5. Political organizations, socio-political organizations, social organizations, socio-occupational organizations within functions and duties shall be responsible for creating favorable conditions for their members to apply the findings.

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

1. State-funded investment projects, socio-economic development programs should involve the establishment of the lists of expenses for application, research and development of scientific foundations during investment preparation and implementation stages, and settlement of scientific and technological issues arising during the implementation.

2. Investment projects, socio-economic development programs should be assessed in terms of scientific foundations and technological levels as prescribed before approval.

3. The Government shall define authority, sequence and procedures on technological assessment in investment projects, socio-economic development programs.

Article 47. Encouraging initiatives, technical improvements, rationalization of production and intensification of innovation

1. State administration agencies for science and technology at all levels should put forth measures to step up initiatives, technical improvements, rationalization of production and intensification of innovation.

2. Annually, the Ministry of Science and Technology shall cooperate with political organizations, socio-political organizations, social organizations, socio-occupational organizations and enterprises in organizing festival of competition on initiatives, technical improvements, rationalization of production, intensification of innovation; reserve science and technology budgets for supporting these activities.

3. The budgets reserved by an enterprise for organizing festival of competition on initiatives, technical improvements, rationalization of production and intensification of innovation shall be considered as investment costs for science and technology activities of the enterprise.

4. The State shall sponsor and encourage sponsorship from organizations, individuals for initiatives, technical improvements, rationalization of production and intensification of innovation; organize festival of competition on initiatives, technical improvements, rationalization of production and intensification of innovation.

Article 48. Communications and dissemination of knowledge of science and technology

1. The State shall make investment and encourage investment and development of communication and dissemination of knowledge of science and technology by organizations, individuals.

2. The Ministry of Science and Technology shall preside over and cooperate with Vietnamese Union of scientific and technological associations, relevant agencies and organizations in establishing and implementing one-year, five-year plans for communication and dissemination of knowledge of science and technology.

3. The budgets reserved by organizations, enterprises and individuals for investing in and sponsoring activities of communication and dissemination of knowledge of science and technology shall be recorded as allowable expenses.

Chapter VI

INVESTMENT IN SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT

Section 1. INVESTMENT FROM STATE

Article 49. State budget for science and technology

1. The State shall ensure at least 2% of total state budget spending annually for the cause of science and technology and gradually increase at the request of scientific and technological development.
2. Budgets for scientific and technological development should be recorded in a separate entry in the table of contents for annual state budgets of ministries, departments and localities.
3. Allocation of state budget for scientific and technological development in the following year shall be based on actual demands and the use of allocated budgets.

Article 50. Purposes of state budget spending for science and technology

1. Implement science and technology tasks of priority and importance, science and technology tasks at all levels to serve common interests of the public with much importance attached to fundamental research in the areas of science and technology;
2. Maintain and develop national scientific and technological capability, invest in and support construction of material and technical bases for scientific and technological organizations; ensure regular activity of fundamental research conducted by public scientific and technological organizations.
3. Develop human resources for scientific and technological development;
4. Finance state funds for science and technology as prescribed in Article 59 hereof;
5. Support implementation of applied research and technological innovation in the areas of priority and great importance;
6. Strengthen application of scientific and technological development in localities;
7. Purchase findings from scientific research and technological development, support importation of source technology, high technology, designs, employment of domestic and foreign experts for the areas of priority.
8. Disseminate and communicate knowledge and information in relation to science and technology; support registration for protection of intellectual property rights; announce findings from scientific research and technological development, prizes in science and technology;
9. Support other science and technology activities;

Article 51. Construction of cost estimates and management of state budget for science and technology

1. The Ministry of Science and Technology shall preside over and cooperate with ministries, ministerial-level agencies, Governmental agencies, other central state agencies and People's committees of provinces shall establish and propose annual state budget spending estimates for scientific and technological development as prescribed;

2. The Ministry of Planning and Investment, the Ministry of Finance shall establish investment cost estimates, non-business expenditure estimates for scientific and technological development at the request of the Ministry of Science and Technology.

3. Financial agencies at all levels shall be responsible for allocating expenditures for scientific and technological development in an adequate and timely manner and in accordance with science and technology plans; step up inspection of sectors, levels to ensure purposeful and effective use of expenditures for scientific and technological development.

Article 52. Application of allocated expenditures for state-funded science and technology tasks; purchasing findings from scientific research and technological development

1. Application of allocated expenditures for state-funded science and technology tasks are prescribed as follows:

a) Allocated expenditures for state-funded science and technology tasks in the areas of natural science, humanities and social science, technical and technological science shall be approved by competent agencies in terms of targets, contents, requirements for research products and budget estimates;

b) For science and technology tasks with criteria for end-product being clearly defined on the basis of assessment of explanation and budget estimates, allocated expenditures shall be applied until end-product.

c) For science and technology tasks that allocated expenditures cannot be applied until end product and science and technology tasks at high risks, allocated expenditures shall be applied on the basis of individual parts of work with criteria clearly defined.

2. In case of need, the State shall purchase findings from scientific research and technological development in an agreement with organizations, individuals.

3. The Government shall detail criteria and procedures on application of allocated expenditures for state-funded science and technology tasks and the purchase of findings from scientific research and technological development.

Article 53. Allocation, use and management of expenditures for state-funded science and technology tasks

1. Allocation of expenditures for state-funded science and technology tasks should be timely and appropriate to the progress of order placement and approval of science and technology tasks.

2. Expenditures for science and technology tasks shall be allocated by state funds for scientific and technological development or transferred to deposit accounts of agencies that preside over the implementation of science and technology tasks;

3. Use of expenditures for science and technology tasks shall be based on order for payment issued by agencies that preside over the implementation of science and technology tasks and shall be finalized upon completion of the contract without depending fiscal year.

4. The Government shall detail this Article.

Article 54. Special investment mechanism for special science and technology tasks

1. Science and technology tasks of large scale serving national defense and security, having strong impact on productivity, quality and strength of national product shall be eligible for special investment mechanism.
2. Make submission to the National Assembly for consideration and decision on science and technology tasks of projects, works of national importance advocated by the National Assembly.
3. The Prime Minister shall decide implementation of special science and technology tasks unless otherwise regulated in Clause 2, this Article.
4. The Government shall define criteria for determination of tasks, special investment mechanism and implementation measures for science and technology tasks eligible for special investment mechanism as prescribed in this Article.

Section 2. INVESTMENT OF ENTERPRISES, ORGANIZATIONS AND INDIVIDUALS

Article 55. Mobilization of investment capital outside state budget for science and technology

1. The State shall encourage investment and sponsorship for scientific and technological development from organizations and individuals.
2. Organizations, individuals may establish funds for scientific and technological development prescribed in Articles 62 and 63 hereof;
3. Organizations and individuals that invest in and sponsor scientific and technological development shall enjoy following preferential treatment:
 - a) Tax incentives according to laws;
 - b) Be honored, commended according to laws;

Article 56. Investment of enterprises for scientific and technological development

1. Enterprises should reserve budgets for investment to innovate and improve technological levels, productivity, quality and competitiveness of products, goods.
2. Investment made in scientific and technological development by enterprises shall be considered as actual expenses arising in relation to activities of production and business of enterprises.
3. Enterprises that make investment in or form associations for investment in scientific and technological research in the areas of national priority and importance, innovate and enhance technology, improve productivity, quality and competitiveness of products, goods shall be considered for financial assistance, loans and other incentives by state funds for scientific and technological development as prescribed hereof.

Article 57. Encouraging application of findings from scientific research and technological development by enterprises

1. Enterprises that apply findings from scientific and technological development to innovate and enhance technology, improve productivity, quality and competitiveness of products, goods shall be considered for financial assistance, preferential loans, loan interest subsidy and loan guarantees by state funds for scientific and technological development.

2. Enterprises that apply high technology shall be entitled to maximum incentives according to laws on high technology. Enterprises that apply findings from science and technology tasks in the country shall be eligible for loan interest subsidy.

Article 58. Development of scientific and technological enterprises

1. Scientific and technological enterprises are the enterprises that implement production, business and services in relation to science and technology to create products, goods from findings from scientific research and technological development.

2. Development of scientific and technological enterprises should meet following requirements:

a) An enterprise that is established and registered for operation according to the Law on Enterprise;

b) Have capacity for implementation of science and technology tasks;

c) Turnover from production and trading of products, goods from findings from scientific research and technological development achieves a proportion as prescribed.

3. Apart from incentives as prescribed in Article 57 hereof, scientific and technological organizations shall enjoy following preferential treatment:

a) Be eligible for consideration and assignment of ownership or right of use of state-owned findings from scientific research and technological development;

b) Be entitled to enterprise income tax incentives, exemption from registration fee upon registration for land use rights, home ownership rights according to laws;

c) Be given priority in leasing lands, infrastructure in industrial zones, processing and exporting zones, economic zones and hi-tech zones;

d) Enjoy investment credit incentives from the Vietnam Development Bank, National Fund for technological innovation and other funds for the implementation of investment projects on production and business;

dd) Be given priority in using facilities serving activities of scientific research and technological development in laboratories of national importance, technology incubators, science and technology business incubators; state-owned scientific and technological research facilities;

4. The Government shall detail this Article.

Section 3. INVESTMENT SUPPORT FUND FOR SCIENCE AND TECHNOLOGY ACTIVITIES

Article 59. Investment support funds for science and technology activities

1. The State shall establish, encourage organizations, individuals to establish the funds to mobilize social resources for providing investment support to science and technology activities .

2. The funds for scientific and technological development are established according to this Law;

Funds for technological innovation, funds for venture hi-tech investment are established according to the Law on Technology transfers and the Law on high technology.

3. Mechanism, manners of investment support funds for science and technology activities are instructed in the Fund's charter.

Article 60. National fund for science and technology development

1. The Government shall establish national funds for scientific and technological development to provide budgets for activities of fundamental research and applied research, unexpected science and technology tasks of great scientific and practical importance, potential science and technology tasks, to grant loans with low or no interest rates for application of findings from scientific research and technological development to production and life, guarantee loans for special science and technology tasks, support young scientists in participating in international conferences and seminars; support activities of enhancing capability of science and technology at national level.

2. National funds for scientific and technological development are formed from initial capitals, annual additional capitals from state budget for scientific and technological development, funds' business results; voluntary contributions, donations, grants from organizations, individuals and other legal sources.

3. The Government shall prescribe Charter of the National fund for science and technology development.

Article 61. Funds for scientific and technological development of ministries, ministerial-level agencies, Governmental agencies, central-affiliated cities and provinces

1. Ministries, ministerial-level agencies, Governmental agencies, People's Committees of provinces shall establish funds for scientific and technological development to meet their own demands for scientific and technological development .

2. Funds shall be used for purposes prescribed in Clause 1, Article 60 hereof;

3. Funds are formed from initial capitals from state budgets for scientific and technological development of ministries, ministerial-level agencies, Governmental agencies, central-affiliated cities and provinces; annual additional capitals from state budgets for science and technology tasks of ministries, provinces and funds' business results; contributions of enterprises according to laws; voluntary contributions, donations, grants from organizations, individuals and other legal sources.

4. The Minister of Science and Technology shall prescribe charter of funds for scientific and technological development of ministries, ministerial-level agencies, Governmental agencies, central-affiliated cities and provinces.

Article 62. Fund for science and technology development of organizations, individuals

1. The State encourages establishment of the fund for scientific and technological development by organizations, individuals according to laws;

The fund for scientific and technological development of organizations, individuals is a not-for-profit organization that provides non-refundable sponsorship, loans with low or no interests, loan guarantees for scientific and technological development of organizations, individuals.

2. The fund for scientific and technological development of organizations, individuals is formed from contributions of founding organizations, individuals outside state budget; voluntary contributions, donations, grants from organizations, individuals and other legal sources.

3. Charter of the fund shall be written by founding organizations, individuals and registered with competent finance authorities.

Article 63. Fund for scientific and technological development of enterprises

1. Non-state owned enterprises are encouraged to form funds for scientific and technological development of their own or contribute to the funds for scientific and technological development of sectors and localities and enjoy benefits according to the fund's regulations.
2. The state-owned enterprise should put aside a minimum amount of taxable income to establish its fund for scientific and technological development.

The Government shall prescribe amount of taxable income to be put aside for the establishment of the fund and mechanism of managing and using the enterprise's fund for scientific and technological development.

3. Enterprises may exercise autonomy and take responsibility for managing and using the fund purposefully and reporting the establishment of the fund to state administration agencies on science and technology in localities where the enterprise is headquartered.

Section 4. TAX AND CREDIT INCENTIVES FOR SCIENCE AND TECHNOLOGY ACTIVITIES

Article 64. Tax policies on science and technology activities

Followings cases are eligible for tax incentives as prescribed in the law on taxation:

1. Earnings come from the implementation of the contract for scientific research and technological development;
2. Earnings from products made from technologies applied for the first time in Vietnam; products in the process of trial production;
3. Hi-tech enterprises, agricultural enterprises applying high technology and a number of activities in the areas of high technology;
4. Scientific and technological services;
5. Machinery and equipment, accessories, materials imported for activities of scientific research and technological development;
6. Grants from organizations, individuals for scientific research; grants received for scientific research;
7. Transfer of technology of priority areas to organizations, individuals in socio-economically disadvantaged administration divisions;
8. Other cases as prescribed;

Article 65. Credit policies on science and technology activities

1. Organizations, individuals that apply for middle-term or long-term loans for science and technology activities shall receive preferential interests from the national fund for scientific and technological development and other state funds.
2. Organizations, individuals that apply for loans for science and technology activities shall receive credit incentives according to charter of the fund where loans are granted.
3. Organizations, individuals that apply for loans at commercial banks to make investment in science and technology activities, especially activities of conducting experimentation and trial

production shall be considered by the Vietnam Development Bank for interest subsidy or investment credit guarantees, putting aside a certain proportion of outstanding credit balance for science and technology activities.

4. Programs, topics and projects on science and technology that directly serve key socio-economic programs of the State and develop national scientific and technological potential, especially projects on conducting experimentation and trial production requiring use of large capital shall be favored with access to official development assistance (ODA) as follows:

a) Non-refundable sponsorship or concessional loans for activities of scientific research and technological development;

b) Grant loans for projects on investment and construction of scientific and technological potential or refundable loans for projects applying findings from scientific research and technological development;

Chapter VII

CONSTRUCTION OF INFRASTRUCTURE AND DEVELOPMENT OF SCIENCE AND TECHNOLOGY MARKET

Article 66. Construction of technical infrastructure for development of science and technology market

1. The State shall promulgate policies on consistent investment and effective use of material and technical bases of national scientific and technological research facilities; encourage and support the construction of applied research centers for scientific and technological advances, hi-tech zones, technological parks; upgrade and construct research centers in higher education institutions to attach training to scientific research, application, development and commercialization of new technologies.

2. Based on targets of socio-economic development, national strategy for national scientific and technological development, the Ministry of Science and Technology shall preside over and cooperate with ministries, relevant agencies in establishing and submitting plans for construction of material and technical bases of scientific and technological organizations to the Prime Minister for approval.

3. Ministries, ministerial-level agencies, Governmental agencies, other central state agencies shall mobilize capital sources for construction of material and technical bases of affiliated scientific and technological organizations.

4. People's committees of provinces shall make decisions on plans for construction of material and technical bases of scientific and technological organizations in localities.

5. The Ministry of Science and Technology shall preside over and cooperate with relevant agencies in inspecting and monitoring the use of state budget for scientific and technological development at ministries, departments, localities and make regular reports to the Prime Minister.

Article 67. Construction of infrastructure for development of high technology

1. The State shall invest and mobilize social resources for the construction of infrastructure for development of high technology.

2. The Ministry of Science and Technology shall preside over and cooperate with relevant agencies in making submissions of the master plan for development of hi-tech zones, technological incubators, hi-tech business incubators to the Prime Minister for approval.

3. The Ministry of Agriculture and Rural Development shall preside over and cooperate with the Ministry of Science and Technology and relevant agencies in making submission of the master plan for development of hi-tech agricultural zones to the Prime Minister for approval.

Article 68. Construction of communications infrastructure, national database and statistical work on science and technology

The state shall invest in and encourage organizations, individuals to sponsor the construction of communications infrastructure, national databases and statistical work on modern science and technology to ensure information about science and technology activities in the country and in the world is provided in an adequate, accurate and timely manner.

The Government shall detail this Article.

Article 69. Construction and development of science and technology

The state shall promulgate following policies and measures to construct and develop science and technology markets:

1. Encourage activities of assignment and transfer of technology based on voluntariness, equality and mutual interests;
2. Complete policies and laws on intellectual property and technology transfers;
3. Enforce incentive policies for products in the process of trial production with new technology; products are made from new technology applied for the first time in Vietnam; scientific and technological consulting activities; imported, exported hi-tech equipment;
4. Enforce commendation to the collective of employees, individuals that are involved in the creation, invention, initiatives, technical improvements, and rationalization of production and application of transferred new technology;
5. The State shall establish, encourage organizations, individuals to establish scientific and technological service organizations, promotion and support centers for technology transfer activities; technological centers, trading floors; technology – equipment markets.

Chapter VIII

INTERNATIONAL INTEGRATION ON SCIENCE AND TECHNOLOGY

Article 70. Principles of international integration on science and technology

1. Ensure independence, sovereignty, national security, equality and mutual interests;
2. Diversify, multilateralization of cooperation and investment with foreign partners in the areas of science and technology;
3. Develop science and technology in accordance with international standards and in association with demands for socio-economic development, national defense and security;
4. Be selectively open to experiences of developed countries, take advantage of opportunities to enhance capability of scientific research and technological development, especially high technology;

Article 71. Activities of international integration on science and technology

1. Join and participate in science and technology activities with foreign partners; participate in activities of international integration on science and technology, including:

- a) Join foreign scientific and technological organizations, associations;
 - b) Participate in activities of research, training, consulting, conferences, seminars on science and technology of foreign organizations and individuals, international organizations at home and abroad;
 - c) Establish foreign-invested scientific and technological organizations in Vietnam and establish representative offices, branches of Vietnam scientific and technological organizations abroad;
2. Construct and implement programs and projects on scientific research and technological development within bilateral, multilateral, regional, inter-regional and international negotiations;
3. Attract Vietnamese experts, scientists living abroad, foreign experts, scientists to join programs and projects on scientific research and technological development, training for human resources in science and technology, other science and technology activities in Vietnam;
4. Organize scientific and technological exhibitions, forums, technology markets, technological centers, trading floors; introduce and transfer findings from scientific research and technological development, especially advanced and high technologies at home and abroad;
5. Seek and transfer foreign advanced technologies into Vietnam;
6. Develop a network of Vietnam' scientific and technological representative offices abroad;

Article 72. Measures of promotion of international integration on science and technology

1. Complete legal foundations for activities of international integration on science and technology;
2. Step up participation, signing and implementation of International Agreement on scientific and technological cooperation;
3. Step up training and enhancing professional competence, foreign language level for human resources in science and technology;
4. Construct a number of organizations and groups for scientific research and technological development at regional and international standards;
5. Strengthen infrastructure for scientific and technological development, especially national database system on science and technology, key laboratory system at regional and international standards; Connect to regional and international state-of-the-art communications networks on research and training;
6. Complete incentive and subsidy mechanism, policies in order for Vietnamese organizations, individuals to participate in activities of international integration on science and technology;
7. Construct mechanism and policies to attract overseas Vietnamese and foreign experts to scientific and technological development in Vietnam;
8. Make effective use of loans and foreign grants for scientific and technological development;

Chapter IX

STATE ADMINISTRATION ON SCIENCE AND TECHNOLOGY

Article 73. Responsibility of the Government

1. Unify state administration on scientific and technological development across the country and promulgate legislative documents, specific mechanism, policies to ensure scientific and technological development is the national policy;
2. Direct promulgation and organization of implementation of legislative documents, mechanism, policies and strategy for scientific and technological development, master plan for network of public scientific and technological organizations;
3. Assign, decentralize the implementation of state management on science and technology;
4. Direct activities of international integration on science and technology; develop human resources on science and technology;
5. Direct propagation, dissemination and education about laws on science and technology; inspect the implementation of laws on science and technology;
6. Direct inspection, investigation, handling of complaints, denunciations and violations of the law on science and technology;

Annually, the Government make reports to the National Assembly on the implementation of policies and measures for scientific and technological development, use of the State budget for scientific and technological development; results of scientific and technological activities.

Article 74. Responsibility of the Ministry of Science and Technology

The Ministry of Science and Technology shall be responsible to the Government for state administration on scientific and technological development across the country as follows:

1. Promulgate within competence or make submission to competent authorities for promulgation of legislative documents, mechanism, policies, strategy and plans for scientific and technological development, master plan for network of public scientific and technological organizations;
2. Construct and grant approval for guidelines, targets and tasks of science and technology on a one-year, five-year basis;
3. Unify management of science and technology tasks at all levels; instruct construction and organization of implementation of state-funded science and technology tasks at all levels, directly manage and organize implementation of science and technology tasks at national level; construct and organize implementation of the tasks of science and technology programs, projects approved by the Prime Minister;
4. Manage and use the state budget for scientific and technological development effectively; construct and propose mechanism and ratio of state budget spending for scientific and technological development as foundations for allocation of state budget estimates annually;
5. Assess the establishment of public scientific and technological organizations as decentralized by the Government; allow the establishment of foreign-invested scientific and technological organizations; register science and technology activities within competence.
6. Construct and manage national communications system, database on science and technology, scientific and technological statistical system and criteria with uniformity across the country; step up exploitation and use of patents; develop science and technology market;

7. Organize management of training in professional competence in the areas of science and technology;
8. Propagate, disseminate and organize instruction on the implementation of laws on science and technology;
9. International integration on science and technology;
10. Investigate, inspect or coordinate investigation, inspection of enforcement of the law on science and technology; handle complaints, denunciations, and violations of the law on science and technology within competence; make proposals for adjustments to allocation of budgets for the next period in reliance on inspection and use of state budget for scientific and technological development by agencies and organizations;
11. Implement other tasks authorized or assigned by the Government;

Article 75. Responsibility of ministries, ministerial-level agencies

1. The Ministry of Planning and Investment:

- a) Establish and submit investment cost estimates for investment in scientific and technological development to the Government at the request of the Ministry of Science and Technology;
- b) Cooperate with the Ministry of Science and Technology in granting approval for the project on investment and construction of material and technical bases for scientific and technological development; speed up inspection of sectors, levels to ensure purposeful and effective use of investment budgets for scientific and technological development;

2. The Ministry of Finance:

- a) Establish and submit non-business expenditure estimates for scientific and technological development to the Government at the request of the Ministry of Science and Technology;
- b) Balance and allocate budgets adequately and in a timely manner according to the approved budget estimates;
- b) Cooperate with the Ministry of Science and Technology in speeding up inspection of sectors, levels to ensure purposeful and effective use of non-business expenditures for scientific and technological development;

3. The Ministry of Home Affairs:

- a) Preside over and cooperate with the Ministry of Science and Technology in establishing policies on employment of human resources for scientific and technological development;
- b) Preside over and cooperate with the Ministry of Science and Technology and relevant agencies in arranging personnel to public scientific and technological organizations;

4. Ministries, ministerial-level agencies:

- a) Perform state administration on scientific and technological development and take responsibility for science and technology activities in the areas assigned; determine, organize implementation of science and technology tasks; effectively manage and use resources for scientific and technological development in the areas assigned;
- b) Cooperate with the Ministry of Science and Technology in establishing and promulgating within competence legislative documents, mechanism, policies, strategy, plans and measures for

scientific and technological development, technological innovation or make such submissions to competent agencies for promulgation; construct and manage database, statistical information system on science and technology;

c) Make reports on statistical information and figures about science and technology to the Ministry of Science and Technology;

d) Manage and use investment expenditures, non-business expenditures for scientific and technological development purposefully and effectively and in accordance with characteristics and progress of science and technology plan;

Article 76. Responsibility of People's committees of provinces

People's committees of provinces that perform state administration on scientific and technological development in localities as decentralized by the Government shall take following responsibilities:

1. Promulgate legislative documents, mechanism, policies, strategy and plans for scientific and technological development within competence or make such submissions to competent authorities for promulgation;
2. Ensure use of state budget for scientific and technological development and other social resources for application of science and technology in localities;
3. Receive, organize application and assessment of application of the findings from the implementation of science and technology tasks ordered after acceptance and make annual reports on results of application to the Ministry of Science and Technology;
4. Manage and use investment expenditures, non-business expenditures for scientific and technological development purposefully and effectively; ensure adequate, timely and appropriate allocation of budgets for implementation of targets and tasks of scientific and technological development in localities and across the country;
5. Construct and manage database, statistical information system on science and technology; make adequate and honest reports on statistical figures on science and technology to relevant competent state administration agencies;
6. Propagate, disseminate and organize instruction on the implementation of laws on science and technology;
7. Investigate, inspect or coordinate investigation, inspection of enforcement of the law on science and technology; handle complaints, denunciations, and violations of the law on science and technology within competence;

Chapter X

COMMENDATION AND HANDLING OF VIOLATIONS

Article 77. State honors, commendation and awards in science and technology

1. Organizations, individuals that have achievements in the cause of scientific and technological development shall be honored, awarded with prizes by the state according to the law on emulation and commendation.
2. Ministries, ministerial-level agencies, Governmental agencies, and other central state agencies, People's committees of provinces shall consider and grant awards in science and technology to

collectives, individuals that have excellent scientific research and technological development works within the management by ministries, sectors and localities;

3. Organizations, individuals as Vietnamese, overseas Vietnamese, international organizations, foreign organizations and individuals shall be awarded with prizes in science and technology with the aim of encouraging scientific and technological development in Vietnam according to laws.

4. The Government shall detail this Article.

Article 78. Honors, prizes in science and technology granted to foreign organizations and individuals, international organizations

Scientific and technological organizations, or individuals involved in science and technology activities shall be granted honors and prizes in science and technology by foreign organizations and individuals, international organizations in accordance with laws of Vietnam.

Article 79. Handling of violations

1. Individuals that violate the law on science and technology, depending on nature and severity of the violations, shall be disciplined, face administrative penalties or criminal prosecution, or make compensations for any damage caused according to laws.

2. Organizations that violate the law on science and technology, depending on nature and severity of the violations, shall face administrative penalties or make compensations for any damage caused according to laws.

Chapter XI

IMPLEMENTARY PROVISIONS

Article 80. Effect

This Law takes effect since January 01, 2014.

The law on science and technology No. 21/2000/QH10 shall become invalid since this Law takes effect.

Article 81. Detailed regulations and instructions on implementation

The Government and other competent state agencies shall provide detailed regulations and instructions on implementation of articles, clauses prescribed in the Law.

This Law was adopted on June 18, 2013 by the 13th National Assembly of the Socialist Republic of Vietnam at its 5th Meeting Session.

**CHAIRMAN OF NATIONAL
ASSEMBLY**

Nguyen Sinh Hung