

**THE GOVERNMENT**

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**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence - Freedom - Happiness**

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No. 56/2009/ND-CP

Hanoi, June 30, 2009

**DECREE**

ON ASSISTANCE TO THE DEVELOPMENT OF SMALL- AND MEDIUM-SIZED ENTERPRISES

**THE GOVERNMENT**

*Pursuant to the December 25, 2001 Law on Organization of the Government;*  
*Pursuant to the Enterprise Law and the Investment Law of November 29, 2005;*  
*At the proposal of the Minister of Planning and Investment;*

**DECREES:****Chapter I****GENERAL PROVISIONS****Article 1.** Governing scope

This Decree provides for policies on, and the state management of, assistance to the development of small- and medium-sized enterprises.

**Article 2.** Subjects of application

This Decree applies to small- and medium-sized enterprises, organizations providing assistance to the development of small- and medium-sized enterprises and agencies performing the state management of assistance to the development of small- and medium-sized enterprises.

**Article 3.** Definition of small- and medium-sized enterprises

1. Small- and medium-sized enterprises are business establishments that have registered their business according to law and are divided into three levels: very small, small and medium according to the sizes of their total capital (equivalent to the total assets identified in an enterprise's accounting balance sheet) or the average annual number of laborers (total capital is the priority criterion), concretely as follows:

Sector	Size	Small-sized enterprises		Medium-sized enterprises	
	Very small enterprises	Total capital	Number of laborers	Total capital	Number of laborers
I. Agriculture, forestry and fishery	10 persons or fewer	VND 20 billion or less	Between 10 and 200 persons	Between 20 billion and 100 billion VND	Between 200 and 300 persons
II. Industry and construction	10 persons or fewer	VND 20 billion or less	Between 10 and 200 persons	Between 20 billion and 100 billion VND	Between 200 and 300 persons
III. Trade and	10 persons	VND 10	Between over	Between over VND	Between over

service	or fewer	billion or less	or	10 and persons	persons	10 billion and VND 50 billion	50 persons and 100 persons
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2. Depending on the nature and objectives of each assistance policy or program, the sponsoring agencies may concretize the above criteria as appropriate.

3. The Ministry of Planning and Investment (the General Statistics Office) shall assume the prime responsibility for. and coordinate with ministries, branches and concerned agencies in. investigating, summing up and publicizing annual statistical data on small- and medium-sized enterprises according to the definitions in this Decree.

**Article 4.** Plans on assistance to the development of small- and medium-sized enterprises, which cover the solutions and funds for implementation, must be incorporated into annual and five-year plans of ministries, branches, localities and the national economy.

**Article 5.** Assistance programs

1. The State's programs on assistance to small- and medium-sized enterprises (called assistance programs for short) means the target programs reserved for small- and medium-sized enterprises, which are formulated on the basis of orientations for socio-economic development, branch and local development and are included in annual and five-year plans. Priority will be given to programs on assistance to small- and medium-sized enterprises owned by women and small- and medium-sized enterprises employing a larger number of female laborers.

2 Before being submitted to competent authorities for approval, programs on assistance to small- and medium-sized enterprises must be commented by the central state management agency for assistance to the development of small- and medium-sized enterprises, defined in Article 15 of this Decree, with a view to ensuring consistency and integration with other state programs on assistance to small- and medium-sized enterprises.

3. Ministries, branches and localities formulate, and organize the implementation of, assistance programs in the domains or localities under their respective management. The Ministry of Planning and Investment shall act as the key body summing up reports on the implementation of assistance programs and on matters to be settled, for submission to the Prime Minister.

4. Depending on the nature and scope of each assistance program, state-run non-business organizations and capable service providers may participate in the implementation of programs via bidding as prescribed by law.

**Article 6.** Promulgation of regulations related to small- and medium-sized enterprises

Agencies taking charge of drafting legal documents related to small- and medium-sized enterprises shall coordinate with the central state management agency for assistance to the development of small- and medium-sized enterprises, defined in Article 15 of this Decree, in order to ensure that those legal documents will facilitate the development of small- and medium-sized enterprises.

**Chapter II**

**ASSISTANCE POLICIES**

**Article 7.** Financial assistance

1. The State encourages the establishment of credit-guarantee funds for small- and medium-sized enterprises. The Ministry of Finance shall assume the prime responsibility for. and coordinate with concerned agencies in, formulating a mechanism for establishment and operation of credit guarantee funds and submit it to the Prime Minister for decision, and shall guide the operations of credit guarantee for small- and medium-sized enterprises.

2. The State Bank shall assume the prime responsibility for. and coordinate with concerned agencies in. proposing the Prime Minister to promulgate incentive mechanisms and reserve a

number of technical-assistance projects to enhance the capacity of appropriate financial organizations to expand credits to small- and medium-sized enterprises; to diversify products and services suitable to small- and medium-sized enterprises and provide financial consultancy and investment management assistance services and other assistance services to small- and medium-sized enterprises.

3. Via training assistance programs, the State shall assist small- and medium-sized enterprises in raising their capacity to formulate business projects and schemes to meet the requirements of credit institutions when appraising capital-borrowing dossiers of these enterprises.

4. Establishment of the Fund for development of small- and medium-sized enterprises

a/ Operation purposes: To finance assistance programs to raise the competitiveness of small- and medium-sized enterprises, attaching importance to supporting activities of renewing and developing products which are highly competitive and environment-friendly; to invest in the renewal of technical equipment and in advanced technologies; to develop support industries; and to raise business administration capability.

b/ Capital sources of the Fund for development of small- and medium-sized enterprises (called the Fund for short): State budget allocations; capital contributed by domestic organizations; aid and funds provided by foreign organizations, international organizations; profits from the Fund's operations and other lawful sources.

c/ Main activities:

- To receive, manage and use domestic and foreign financings for carrying out activities to assist the development of small- and medium-sized enterprises in accordance with law.

- To provide funds for assistance programs and projects on raising the competitiveness, technical and technological capability and business administration capability for small- and medium-sized enterprises, to be implemented by ministries, branches, localities or business associations after they are approved by competent authorities.

- To entrust credit institutions to provide preferential loans to small- and medium-sized enterprises with feasible investment projects in domains prioritized and encouraged by the State, which are conformable to the purposes of the Fund's operations.

d/ The Ministry of Planning and Investment shall assume the prime responsibility for, and coordinate with the Ministry of Finance, the State Bank and concerned bodies in formulating a scheme on establishment of the Fund and submit it to the Prime Minister for consideration and approval; and shall ensure that the Fund operates for right purposes.

e/ The Ministry of Finance shall promulgate the Regulation on financial management, inspection and supervision of financial activities of the Fund.

#### **Article 8.** Production grounds

Based on their respective publicized socioeconomic development master plans and land use planning and plans already approved by the Prime Minister, the People's Committees of provinces and centrally run cities shall reserve land funds and apply measures to encourage the construction of industrial parks and complexes for lease to small- and medium-sized enterprises as business and production grounds or the relocation thereof from inner-city areas to ensure urban beauty and environment.

#### **Article 9.** Renewal and raising of technological capability and technical level

1. Through various assistance programs, the Government shall apply assistance policies suitable to the strategies and domains prioritized for economic development in each period as follows:

a/ To encourage investment in the renewal of technologies and technical equipment according to the development strategies and to expand production of small- and medium-sized enterprises with regard to exports and support-industrial products.

b/ To raise the technological capabilities of small- and medium-sized enterprises via assistance programs on technological research and development for production of new products, technological transfer and scientific-technical application to production.

c/ To introduce, or supply information on, technologies, equipment to small- and medium-sized enterprises, assisting them in appraising and selecting technologies.

2. The National Fund for Scientific and Technological Development shall annually set aside an amount to support small- and medium-sized enterprises in technological renewal, raising their technological capability.

3. The Ministry of Science and Technology and provincial-level People's Committees shall formulate plans and allocate funds to assist small-and medium-sized enterprises in intellectual property registration, protection and transfer with regard to their products and services, applying the quality management systems under ISO standards and other international standards.

#### **Article 10.** Market expansion promotion

1. Annually, ministries, branches and localities shall formulate plans and allocate funds for market expansion-promoting activities for small- and medium-sized enterprises.

2. The state management agency for national trade promotion shall annually reserve a part of the national fund for trade promotion for small-and medium-sized enterprises and notify implementation results to the state management agency for assistance to the development of small- and medium-sized enterprises, defined in Article 15 of this Decree.

#### **Article 11.** Participation in plans on procurement and provision of public services

1. The Government and provincial-level People's Committees shall set aside certain funding proportions for small- and medium-sized enterprises to perform contracts or orders for a number of commodities or public services.

2. The Prime Minister shall promulgate mechanisms to encourage small- and medium-sized enterprises to participate in the supply of products and public services at the proposal of the Ministry of Finance.

#### **Article 12.** Information and consultancy

1. The Government, ministries, branches and provincial-level People's Committees shall supply via their portals information on legal documents governing activities of small- and medium-sized enterprises; policies and programs on assistance to their development and other information in support of their business activities.

2. Within 30 working days before materializing policies and programs on assistance to the development of small- and medium-sized enterprises, the sponsoring agencies shall post up information on such policies and programs on the enterprise information portal of the state management agency for assistance to the development of small- and medium-sized enterprises defined in Article 15 of this Decree for public information.

3. The Ministry of Planning and Investment shall mobilize domestic and foreign resources for upgrading the enterprise information portal, aiming to supply and connect information on assistance to the development of small- and medium-sized enterprises.

4. The Government encourages domestic and foreign organizations to provide counseling services to small- and medium-sized enterprises.

#### **Article 13.** Assistance in human resource development

1. The Ministry of Planning and investment shall assume the prime responsibility for, and coordinate with concerned bodies in, guiding the formulation of plans on assistance in human resource development for small- and medium-sized enterprises, focusing mainly on business administration.

2. Plans on assistance in human resource training for small- and medium-sized enterprises of

ministries, branches and localities will be incorporated into their annual and five-year socio-economic development plans.

3. The Ministry of Planning and Investment shall assume the prime responsibility for summing up the demands for training assistance to small- and medium-sized enterprises, serving as a basis for the Ministry of Finance to balance and arrange support funds in the annual budget plans of ministries, branches and localities.

#### **Article 14.** Enterprise nursery

1. The State encourages the establishment of enterprise nurseries to provide definite supports for enterprises in their initial period according to a prescribed process and in a systematic way through providing nursed enterprises with space, business support services and necessary human resources in order to help them materialize and commercialize their business and technological ideas.

2. The Ministry of Science and Technology shall assume the prime responsibility for, and coordinate with concerned agencies in. formulating incentive policies for small- and medium-sized enterprises to participate in "technological nurseries" and "technological enterprise nurseries."

### **Chapter III**

## **STATE MANAGEMENT OF ASSISTANCE TO DEVELOPMENT OF SMALL- AND MEDIUM-SIZED ENTERPRISES**

**Article 15.** The central state management agency for assistance to the development of small- and medium-sized enterprises

1. The Government shall perform the unified state management of the small- and medium-sized enterprise development promotion. The Ministry of Planning and Investment shall act as the body assisting the Government in performing the unified state management of assistance to the development of small- and medium-sized enterprises.

2 The Enterprise Development Department of the Ministry of Planning and Investment shall assist the Minister of Planning and Investment in performing the state management of development of small- and medium-sized enterprises in the following aspects:

a/ Formulating, or participating in the formulation of, policies, legal documents on development of small- and medium-sized enterprises for submission to competent authorities for promulgation; synthesizing assistance plans and programs, orientating the assistance objectives and defining criteria and domains of assistance to small- and medium-sized enterprises.

b/ Organizing training courses to raise the capabilities of officials in charge of assisting small- and medium-sized enterprises, to foster the skills of assistance to the development of small- and medium-sized enterprises and to guide the establishment and raise the capability of the small- and medium-sized enterprise development-assisting system.

c/ Acting as a coordinator for international cooperation on development of small- and medium-sized enterprises, calling for resources from the outside to assist small- and medium-sized enterprises.

d/ Coordinating with concerned agencies and organizations in supplying necessary information for small- and medium-sized enterprises; making annual reports on small- and medium-sized enterprises; summing up reports on the development of small- and medium-sized enterprises and matters to be tackled for the Minister of Planning and Investment to submit them to the Prime Minister for consideration and handling; organizing pilot models, programs and projects on assistance to the development of small- and medium-sized enterprises.

e/ Acting as the permanent secretary of the Council for Encouragement of Development of Small- and Medium-Sized Enterprises.

**Article 16.** Council for Encouragement of Development of Small- and Medium-Sized Enterprises

1. The Council for Encouragement of Development of Small- and Medium-Sized Enterprises (referred to as the Council) shall perform the tasks of advising the Prime Minister on incentive mechanisms and policies on development of small- and medium-sized enterprises. Its members work as part-timers. The Prime Minister shall decide on its tasks at the proposal of its president.

2. The Council shall be composed of:

- The president being the Minister of Planning and Investment.

- The permanent secretary being the Director of the Enterprise Development Department.

- Representatives of leaderships of the Ministries of Planning and Investment; Industry and Trade; Finance; Justice; Agriculture and Rural Development; Construction; Transport; Science and Technology; Natural Resources and Environment; Education and Training; and Labor. War Invalids and Social Affairs, and the Steering Committee for Enterprise Renewal and Development.

- Representatives of the leaderships of provincial-level People's Committees of Hanoi. Ho Chi Minh City. Hai Phong. Da Nang and Can Tho.

- Representatives of the leaderships of Vietnam Chamber of Commerce and Industry. Vietnam Union of Cooperatives, Vietnam Association of Small- and Medium-Sized Enterprises and other enterprise associations.

3. The list of the Council's members will be decided by the Council President at the proposal of managing agencies.

4. According to practical requirements of the assistance to the development of small- and medium-sized enterprises and proposals of members, the Council President may set up a number of full-time sub-committees attached to the Council to provide advice on are as of assistance to small- and medium-sized enterprises. The composition and working regulations of such sub-committees will be decided by the Council President.

5. The working regulations of the Council will be decided by its President.

6. The operation fund of the Council will be included in the fund of the Enterprise Development Department.

**Article 17.** Center for promotion of small-and medium-sized enterprise development

The Ministry of Planning and Investment shall set up the Center for Promotion of Small-and Medium-Sized Enterprise Development (under the Enterprise Development Department) to materialize assistance policies and programs, which shall act as the focal point to provide consultancy and to experiment technical assistance models for small- and medium-sized enterprises.

**Article 18.** Local state management agencies for assistance to the development of small- and medium-sized enterprises

1. Provincial-level Peoples Committees shall assist the development of small- and medium-sized enterprises in their respective localities, concretely as follows:

a/ To orientate the development of small- and medium-sized enterprises; to formulate or participate in formulating documents guiding the implementation of state regulations on assistance to the development of local small- and medium-sized enterprises; to sum up the formulated programs on assistance to small- and medium-sized enterprises; to coordinate, guide and inspect the implementation of assistance programs after they are approved.

b/ To organize dialogues between local administrations and enterprises, aiming to exchange information, remove obstacles and difficulties in business activities of small- and medium-sized enterprises; to praise and commend artisans, entrepreneurs and small- and

medium-sized enterprises that have recorded outstanding achievements in business activities and have been creative in product designing or job teaching.

c/ To annually report to the Ministry of Planning and Investment on the assistance to the development of small- and medium-sized enterprises and matters to be settled for sum- up and formulation of annual reports on small- and medium-sized enterprises.

d/ To coordinate with concerned ministries, branches and organizations in assisting the development of local small- and medium-sized enterprises according to current regulations.

2. Provincial-level People's Committees shall assign their Planning and Investment Departments to act as focal point and coordinate with other Departments and branches in formulating programs and plans on development of local small- and medium-sized enterprises and submit them to the provincial-level People's Committees for approval, promulgation and implementation direction. Localities with more than 3.000 small- and medium-sized enterprises (excluding cooperatives and business households) may each set up a unit attached to their Planning and Investment Department to perform the functions and tasks of assisting the development of small- and medium-sized enterprises in localities.

#### **Article 19.** Small- and medium-sized enterprise- assisting organizations

The Government encourages associations, economic organizations, socio-political and professional organizations and social organizations to set up and consolidate organizations assisting the development of small- and medium-sized enterprises; to participate in the formulation and materialization of programs on assistance to small- and medium-sized enterprises; and to develop business development services (BDS).

#### **Chapter IV**

### **IMPLEMENTATION PROVISIONS**

#### **Article 20.** Effect

1. This Decree takes effect on August 20, 2009. and replaces the Government's Decree NO.90/2001/ND-CP of November 23, 2001, on assistance to the development of small- and medium-sized enterprises.

2. To annul previous regulations which are contrary to this Decree.

#### **Article 21.** Implementation responsibilities

1. The Ministry of Planning and Investment shall coordinate other ministries, branches and provincial-level People's Committees in implementing this Decree, and report to the Prime Minister on the implementation situation and arising matters which need to be dealt with.

2. Ministers, heads of ministerial-level agencies, heads of government-attached agencies and chairmen of provincial-level People's Committees shall implement this Decree.-

**ON BEHALF OF THE GOVERNMENT  
PRIME MINISTER**

**Nguyen Tan Dung**