



Australian Government
Department of Industry,
Innovation and Science

Anti-Dumping
Commission

Government Questionnaire

The Socialist Republic of Vietnam

Zinc Coated (Galvanised) steel

**Exported from The Republic of India, Malaysia
and the Socialist Republic of Vietnam**

Period of Investigation: 1 July 2015 to 30 June 2016

Response due by: **13 November 2016 (Extended to
28 November 2016 following granting of
extension)**

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RETURN OF QUESTIONNAIRE DETAILS

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Or by mail
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ABBREVIATIONS

CIF	Cost, Insurance & Freight
EPZ	Export Processing Zones
FOB	Free On Board
GOV	Government of Vietnam
SEZ	Special economic zone
SIE	State-invested enterprise
the Act	the Customs Act 1901
the Applicant or BlueScope	BlueScope Steel Ltd
the Commission	Anti-Dumping Commission
the goods	the goods the subject of the application (zinc coated (galvanised) steel)
the investigation period	1 July 2015 to 30 June 2016
Vietnam	The Socialist Republic of Vietnam

SECTION A: GENERAL QUESTIONS

1. Describe the nature and structure of the galvanised steel industry in Vietnam. Without limiting your response, include details of any government involvement in the galvanised steel industry including upstream raw materials (i.e. hot rolled coils (HRC), coking coal, coke, iron ore and scrap steel). The response should include details of:
 - (a) distribution channels
 - (b) any vertical integration
 - (c) any changes over the last 5 years (such as mergers and acquisitions)
 - (d) any changes to the government laws and regulations after 1 January 2011

ANSWER:

The galvanised steel industry in Vietnam is currently limited to processing galvanised steel products from hot rolled coils and thus, it is not a vertical integration industry. There is no hot rolled coils manufacturer in Vietnam and the galvanised steel industry entirely depends on the imported hot rolled coils mainly originating from China, Taiwan, South Korea and Japan.

Coking coal, coke, iron one and scrap steel which are produced in Vietnam do not serve as inputs for the galvanised steel industry due to the absence of the production of hot rolled coil in Vietnam. These raw materials totally serve the production of steel billets and long steel products.

The galvanised steel industry is subject to the same set of laws and regulations as with other sectors of production and business. In addition, there is no restriction in the number of galvanized steel producers or in the private or foreign ownership in this sector. Being a galvanised steel maker has never been a criterion for such producer to receive any benefit under the Vietnam law.

The Vietnam galvanised steel industry is majorly owned by the private sector. The GOV does not have direct ownership in any galvanized steel producers. As indicated in Spreadsheet A-4 of Exhibit 1, among 15 producers known to the GOV, only 02 companies are owned by state-owned enterprises which are subject to the the Law on Enterprises as with private or foreign owned companies. These two companies' galvanized steel

production account for less than █% of Vietnam's total production quantity of galvanized steel products during the POI, as indicated in Spreadsheet C2-5 of Exhibit 1.

Since 2011, the galvanized steel industry has expanded through either capacity increase by installing new production lines within galvanized steel manufacturers or establishment of new companies in this field such as █ (FIE). The industry is not limited to producing zinc coated steels subject to this investigation but also other types of galvanized steel products. Galvanized steel products are mainly sold in Vietnam although they are also exported to other countries including Australia. During the POI, based on the Vietnam Steel Association's estimation, Vietnam produced █¹ tons of galvanized steels subject to this investigation during the POI and only █% was export to all over the world, including Australia.

The GOV has not issued or implemented any law or regulations that exclusively address the galvanized steel industry. Since 1 January 2011, changes have been made to regulations on investment, tax, and import duty, which would be discussed in the GOV's response to the Commission's questions regarding specific alleged subsidy program. However, it is important to note that all of these changes apply to all production and business sectors.

2. At all levels of government (central, state, regional, municipal, special economic zone (SEZ), etc.) identify the names of the government departments, bureaus or agencies that are responsible for the administration of any the GOV measures concerning the galvanised steel and / or the iron and steel industry.

Include information relating to the following areas:

- supervision of galvanised steel , State-owned/invested enterprise (SIE) senior management and administration;
- consolidation of domestic galvanised steel and/or iron and steel producers;
- industrial policy and guidance on the galvanised steel and/or the iron and steel sectors;
- market entry criteria for the galvanised steel and/or the iron and steel industry;

¹ This is an estimated number for the POI and calculated on the basis of the total quantity production of galvanized steels of Vietnam in 2015 and 6 first months of 2016 as reported by Vietnam Steel Association to the South East Asia Iron and Steel Institute.

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- environmental enforcement for the galvanised steel and /or iron and steel industry;
- management of land utilization;
- banking regulations in relation to galvanised steel and /or the iron and steel industry;
- investigation and inspection of galvanised steel manufacturing facilities;
- the section in the government agency/department/ministry that is responsible for the galvanised steel and / or the iron and steel sector;
- import licensing for raw materials used in galvanised steel manufacture;
- export regulations, export licensing, “guidance prices”, free trade export zones, etc.; and
- taxation - especially export taxes; export tax rebates and any other indirect taxes such as goods and services taxes (including any rebates).

Ensure that your response includes contact information regarding the government officials responsible for the listed areas listed along with their full mailing addresses, phone numbers, email addresses and fax numbers.

ANSWER:

First of all, it is important to note that the GOV has not issued or implemented any law or regulations that exclusively address the galvanized steel industry. Thus, no governmental agency at central or provincial level has been established to administer any measure concerning the galvanized steel.

The GOV’s agencies at central and provincial levels operate in accordance with the Law on Government Organization 76/2015/QH13 dated 19 June 2015. Functions, tasks, power and structure of each ministry are provided in specific governmental decree addressing that ministry while its activities are subject to various laws governing activities under its jurisdiction. For example, one function of the Ministry and Industry and Trade as indicated in Decree 95/2012/ND-CP dated 12 November 2012 defining the functions, tasks, powers and organizational structure of the Ministry of Industry and Trade is to perform state management of industry which include all sectors of industry. Steel is merely one of those sectors. That is to demonstrate that as with the government of other countries, the

structure of the GOV and functions of GOV agencies are classified by subjects of jurisdiction governed by each agency, instead of by each economic sector, as follows:

1. Ministry of Industry and Trade (“MOIT”)

MOIT is in charge of performing the state management of industry and trade, including the sectors and fields of mechanical engineering, metallurgy, electricity, new energy, renewable energy, oil and gas, chemicals, industrial explosives, mineral mining and processing industry, consumer industry, food industry and other processing industries, domestic trade and market; import and export, border trade, overseas market development, market management, trade promotion, e-commerce, trade in services, international economic integration, competition management, application of safeguard, anti-dumping and anti-subsidy measures, protection of consumer interests; and state management of public services in the sectors and fields under its state management. In this capacity, MOIT’s responsibilities relate to all industry sectors, including the iron and steel industry which galvanized steel is a part of. MOIT also coordinate with other ministries and provincial agencies to advise the Government in building policy and regulations relating to investment, tax and duties, environment, banking and finance, or land for purpose of boosting the whole country’s industry and trade on a sustainable basis. MOIT also administers measures relating to import and export quota and licensing.

Contact information of MOIT is as follows:

Address: 54 Hai Ba Trung Str, Hoan Kiem District, Ha Noi, Viet Nam

Telephone: (04) 22202529

Fax: (04) 22202526

Email: bbt@moit.gov.vn

2. Ministry of Finance (“MOF”)

MOF performs the state management function of finance (including the state budget, taxes, charges, fees and other state budget revenues, national reserves, state assets, state financial funds, financial investment, corporate finance, cooperative finance and collective economy); customs; accountancy; independent audit; prices; securities; insurance; financial and other service activities within its state management scope;. In this capacity, MOF administers various measures relating to taxation such as corporate income tax, value-added tax, non-agricultural land use tax, to import and export duty, custom

regulations, land use levy or rent, and state credits. No measure has been implemented specifically for the galvanized steel sector.

Contact information of MOF is as follows:

Address: 28 Tran Hung Dao Str, Hoan Kiem District, Ha Noi, Viet Nam

Telephone: (84-4) 2220.2828

Fax: (84-4)2220.8091

Email: support@mof.gov.vn

3. Ministry of Planning and Investment (“MOPI”)

MOPI performs the state management of planning, development investment and statistics which includes national socio-economic development strategies and plans; development of mechanisms and policies for general economic management and some specific domains; domestic investment, foreign investment in Vietnam and Vietnam's offshore investment; economic zones (including industrial parks, border economic zones, hi-tech parks and other forms of economic zones); management of official development assistance (below referred to as ODA) and foreign non-governmental aid; bidding; establishment and development of enterprises, collective economies and cooperatives; statistics and public services within its management jurisdiction. In this capacity, MOPI administer measures relating to enterprise establishment and investment, investment preferences in Vietnam as well as developing policies to attract investment in Vietnam including establishment of economic zones. In this regard, it is important to note that galvanized steel has never been a sector or domain of investment preferences.

Contact information of MOPI is as follows:

Address: 6B Hoang Dieu Str, Ba Dinh District, Ha Noi, Viet Nam

Telephone: 04. 38455298

Fax: 04.38234453

Email: banbientap@mpi.gov.vn

4. Ministry of Natural Resources and Environment (“MONRE”)

MONRE performs the state management of land; water resources; minerals and geology; environment; hydrometeorology; climate change; survey and cartography; integrated and unified management of sea areas and islands; and public services within its management jurisdiction. Accordingly, measures relating to land utilization and environmental enforcement are within the scope of MONRE’s management.

Contact information of MONRE is as follows:

Address: 10 Ton That Thuyet Str, Cau Giay District, Ha Noi, Viet Nam

Telephone: (043) 7956868

Fax: (043) 8359221

Email: portal@monre.gov.vn

5. State Bank of Vietnam (“SBV”)

SBV performs the state management of monetary, banking and foreign exchange activities; functions as the Central Bank for money issuance and as a bank of credit institutions and provides monetary services for the Government; and public services within its management jurisdiction. Accordingly, banking regulations fall within the scope of SBV’s management. However, SBV has never implemented any banking measures specific to the galvanized steel industry.

Contact information of SBV is as follows:

Address: 49 Ly Thai To Str, Hoan Kiem District, Ha Noi, Viet Nam

Telephone: (043) 934 3360

Fax: (043) 825 0612

Email: ieod@sbv.gov.vn

6. Ministry of Science and Technology (“MOST”)

MOST performs the state management function of science and technology, including: science and technology activities; development of science and technology potentials; intellectual property; standardization, measurement and quality; atomic energy; radiation and nuclear safety; and public services within its management jurisdiction.

Contact information of MOST is as follows:

Address: 113 Tran Duy Hung Str, Cau Giay District, Ha Noi, Viet Nam

Telephone: (84.4) 39437056 or (84.4) 39438970

Fax: (84.4) 39439733

Email: bbt@most.gov.vn

- 3. Describe the ownership structure of the Vietnamese galvanised steel industry, identifying what proportion of the industry is represented by SIEs, foreign-invested enterprises (FIEs), and Vietnamese domestic-owned private enterprises.**

For each business where the GOV is a shareholder in the business, provide the name and percentage GOV ownership of the enterprise.

ANSWER:

The Vietnam galvanised steel industry is majorly owned by the private sector. The GOV does not have direct ownership in any galvanized steel producers. As indicated in Spreadsheet A-4 of Exhibit 1, among 15 producers known to the GOV, only 02 companies are owned by [REDACTED] – a state-owned company which is subject to the the Law on Enterprises as with private or foreign owned companies.

[REDACTED] is [REDACTED]% owned by the GOV and does not produce galvanized steel or materials to producer galvanized steel. This company has ownership in 2 galvanized steel producers which are [REDACTED] ([REDACTED]%) and [REDACTED] [REDACTED] ([REDACTED]%). These two companies' galvanized steel production account for less than [REDACTED]% of Vietnam's total production quantity of galvanized steel products during the POI, as indicated in Spreadsheet C2-5 of Exhibit 1. We provide below information of the state-owned enterprises.

4. Complete the attached spreadsheet **A-4** (using Microsoft Excel format) listing all manufactures/traders of galvanised steel and upstream raw material (hot rolled coils, coking coal, coke, iron ore and scrap steel) and land providers in Vietnam including the following details:
 - (i) name of the business entity;
 - (ii) location of the business entity;
 - (iii) function of the business (e.g. manufacturer, trader, exporter);
 - (iv) type of business (e.g. State invested enterprise (SIE), Foreign invested enterprise (FIE), private enterprise or other (please specify));
 - (v) whether the business is a manufacturer of galvanised steel;
 - (vi) production quantity of galvanised steel;
 - (vii) value of total benefit provided to each company;
 - (viii) whether GOV is a shareholder in the business;
 - (ix) if so the percentage of GOV holdings; and

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(x) whether there is GOV representation in the business, and if so the type of representation (e.g. on the Board of Directors), the authority responsible, and indicate any special rights provided to the representative (e.g. veto rights).

For each business where the GOV is a shareholder and/or there is the GOV representations in the business provide:

(i) the complete organisational structure, including subsidiaries and associated businesses; and

(ii) copies of annual reports of the business for the last 2 years.

ANSWER:

Please refer to Spreadsheet A-4 in Exhibit 1.

Please refer to Exhibit 2 for the organization structure and 2014 and 2015 financial statements of [REDACTED].

Please refer to Exhibit 3 for the organization structure and 2014 and 2015 financial statements of [REDACTED]

5. Which industry associations represent galvanised steel manufacturers?

Please provide names, address and contact details including their websites of the relevant industry associations. Include all national, provincial and regional producer organisations that represent the interests of galvanised steel manufacturers and traders in Vietnam.

ANSWER:

The majority of galvanised steel producers in Vietnam are members of Vietnam Steel Association. Information of the Vietnam Steel Association is as follows:

Address: Floor 3 – 91 Lang Ha - Hanoi

Telephone: 04-35146230 – 04.35144056

Fax: 04- 35145113

Website: <http://vsa.com.vn/>

Email: Vietnam.steel.association@gmail.com

SECTION B: SUBSIDIES

The applicant alleges that producers of galvanised steel in Vietnam have benefited from a number of subsidies provided by the GOV (including state governments), and that these subsidies are countervailable.

Table 1 below lists all the alleged countervailable subsidy programs for galvanised steel that are being investigated.

Note: the below titles of programs are to the best of the Commission's knowledge and in some cases may simply be descriptions of the program. Consequently, the below titles may not exactly reflect any official titles that the GOV or the relevant state/regional/local governments have in place.

In responding to this questionnaire, if the GOV is unfamiliar with the title given to a program, but is aware of the existence of a similar program or one that it appears is being referred to, please identify this (including providing the official title of any such program) and respond to the questionnaire in relation to that program.

The GOV is requested to provide information on each program, regardless of the year the benefit was granted by the GOV or the year that the benefit was received by the recipient company, as well as those further identified by the GOV, where the program benefits impact on the production and sale of galvanised steel during the investigation period.

TABLE 1: PROGRAMS UNDER INVESTIGATION

The following are programs that the Commission is currently investigating:

Program Number	Program Title
1	Preferential Import Tariff Rates contingent upon Localisation Ratios with respect to products and Parts of Mechanical-Electric-Electronic Industries (updating Program II of Notification of Subsidies period 2003-2004);
2	Support for the Implementation of Projects Manufacturing Priority Industrial Products (Updating Programme III of 2003-2004)

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3	Investment Incentives Contingent upon Export Performance For Domestic Businesses (Updating Programme IV of 2003-2004)
4	Other Investment Incentives for Domestic Businesses (Updating Program V of Period 2003-2004)
5	Investment Incentives Contingent upon Export Performance for Foreign Invested Enterprises (Updating Programme VI of the Period 2003-2004)
6	Other Investment Incentives for Foreign Invested Enterprises (Updating Programme VII for Period 2003-2004)
7	Preferential Investment Credit for Development Contingent upon Export Criteria (Updating Programme VIII of Period 2003-2004)
8	Preferential Development Credit for Investment Contingent Upon Localisation Ratios (Updating Programme IX of Period 2003-2004)
9	Other Preferential Investment Credit for Development (Updating Program X of Period 2003-2004)
10	Export Promotion (Updating Program XII of Period 2003-2004)
11	Trade Promotion (Updating of Programme XIII of Period 2003-2004)
12	Support for Mechanical Products (Updating Program XV of Period 2003-2004)
13	Support for Shipbuilding Industry (Updating of Programme XV of Period 2003-2004)
14	Assistance for Commercial Development in Mountainous, Island and Ethnic Minority Areas (Updating Programme XVI of Period 2003-2004)
15	Assistance to Enterprises Facing Difficulties Due to Objective Reasons

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	(Updating of Programme XVII of Period 2003-2004)
16	Incentives for Investment Projects in Science and Technology (Updating Programme XVIII of Period 2003-2004)
Program alleged to have benefited Hoa Sen Steel	
17	Preferential Import Tariff Rates for enterprises investing in regions or sectors entitled to investment incentives
18	Incentives on corporate income tax for enterprises operating in regions or sectors entitled to incentives
19	Incentives on Non-Agricultural Land Use Tax to encourage enterprises to invest in sectors or regions which require investment

Table 1: Alleged Subsidy Programs

If the GOV, any of its agencies, or any other authorised non-governmental body provides any other assistance programs not referred to in table 1 (including market development assistance programs or any domestic support programs related to the manufacture of subject goods) to manufacturers of galvanised steel in Vietnam, identify those program(s). Such assistance programs are those that constitute a subsidy as defined in the attached 'Glossary of Terms'.

PART B-1 GENERAL INFORMATION FOR ALL PROGRAMS

The GOV is requested to provide the information requested for each of the programs identified above and any additional programs the GOV has identified. In addition, please respond to the program-specific information requested.

For all programs under investigation and any other program/s identified by the GOV provide any amendments to law, regulations or policy that makes a particular program redundant for this investigation. Provide all documentary evidence.

PART B-3 SUBSIDY PROGRAMS

The questions in this part relate to **programs 1- 19** as listed in Table 1.

PROGRAM 1: PREFERENTIAL IMPORT TARIFF RATES CONTINGENT UPON LOCALIZATION RATIOS WITH RESPECT TO PRODUCTS AND PARTS OF MECHANICAL ELECTRIC ELECTRONIC INDUSTRIES

1. Provide full details of the each of the above programs including the following:
 - (a) policy objective and/or purpose of the program.
 - (b) legislation under which the subsidy is granted.
 - (c) nature or form of the subsidy.
 - (d) when the program was established.
 - (e) duration of the program.
 - (f) how the program is administered and explain how it operates.
 - (g) to whom and how is the program provided.
 - (h) the GOV department or agency administering the program.
 - (i) the eligibility criteria in order to receive benefits under the program.

ANSWER:

Preferential import tariff rates contingent upon localization ratios were introduced in 1998 and terminated in 2006. Thus, this program is outside the POI.

The program was to encourage the domestic production and assembly of products and parts of mechanical – electric – electronic industries. Galvanised steel products do not fall into the scope of mechanical – electric – electronic industries. The preferential import tariff rate schedule was provided under Decision No.1944/1998/QD-BTC dated 25 December 1998 promulgating the regulation on preferential import tariff rates contingent upon localization ratios with respect to parts of mechanical-electric-electronic industries. The program benefit is the difference between the standard import duty rate and the preferential duty rate which corresponds to the localization ratio.

The program was provided under Joint Circular No.176/1998/TTLT-BTC-BCN-TCHQ dated 25 December 1998, which was amended by Joint Circular No.120/2000/TTLT- BTC-BCN-TCHQ dated 25 December 2000 guiding the implementation of tariff imposition contingent upon localization ratios with respect to products and parts of mechanical-electric-electronic industries and Decision No.1944/1998/QD-BTC dated 25 December 1998

promulgating the regulation on preferential import tariff rates contingent upon localization ratios with respect to parts of mechanical-electric-electronic industries. As part of Vietnam's commitments to access the WTO, this program was terminated on 1 October 2006 under Decision 43/2006/QD-BTC.

Ministry of Finance issued the preferential tariff rate schedule and provincial custom authority of the place where the importer implemented the project administered the program.

2. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

ANSWER:

Please refer to Exhibit 4 for:

- **Decision No.1944/1998/QD-BTC dated 25 December 1998**
- **Joint Circular No.176/1998/TTLT-BTC-BCN-TCHQ dated 25 December 1998**
- **Joint Circular No.120/2000/TTLT- BTC-BCN-TCHQ dated 25 December 2000**

3. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

ANSWER:

The provincial custom authority maintained import declaration and registration file submitted by companies applied for the preferential import duty rate.

4. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-1** (or in a Microsoft Excel compatible format):
 - (a) the business' address (including the city, province and region);
 - (b) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
 - (c) if the business is not an SIE, whether it is otherwise associated with the GOV;and
 - (d) whether the entity produces galvanised steel

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

ANSWER:

The GOV does not have any available statistics on the companies that received benefits under this program and thus is unable to answer this question to all of them. In an attempt to cooperate and response to the Commission's question, the GOV answers this question with regards to exporters of galvanized steel products to Australia during the POI.

Regarding this program, the GOV notes that it was terminated on 1 October 2006 which is long before the POI. In addition, this program does not apply to galvanized steel products. As such, no exporters of galvanized steel products to Australia received benefit under this program during the POI.

5. For each entity identified in your response to Question 4 above that is an SIE, answer the following questions regarding their performance and profits.

- (a) How are the operations of the enterprise funded?
- (b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOV holds an interest.
- (c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.
- (d) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:
 - output and quality performance;
 - performance of employees/directors/managers; and
 - financial performance.

If any other GOV entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

- (e) Provide details of any official reporting mechanisms that the enterprise must comply with.

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- (f) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.
- (g) How are profits of the enterprise distributed and to whom?
- (h) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.
- (i) Over the past 10 years, has the GOV provided any payment or made any injection of funds to the enterprise, including but not limited to:
 - grants;
 - prizes;
 - awards;
 - stimulus payments and rescue type payments;
 - injected capital funds;
 - purchasing of shares.
- (j) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

- 6. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
 - (a) Provide a list of functions the enterprise performs.
 - (b) Provide details of any government policies the enterprise administers or carries out on behalf of the GOV.
 - (c) Indicate whether any of the enterprise's functions are considered to be governmental in nature.

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- (d) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.
- (e) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
- (f) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

- 7. Describe the application process (including any application fees charged by the government agency or authority) for the program.

ANSWER:

Pursuant to Article 7 of Joint Circular 176/1998/TTLT – BTC-BCN-TCHQ and Section IV of Joint Circular 120/2000/TTLT – BTC-BCN-TCHQ, enterprises of these sectors were required to submit to the Ministry of Industry with a registration file on its manufacturing technology and localization ratio for its investment project. The Ministry of Industry would coordinate with the Ministry of Science, Technology and Environment and Ministry of Communication and Transport to inspect the registered localization ratio and issue a certificate of localization ratio for those enterprises.

Once a year, the enterprises were required to submit to the provincial custom authority where they conducted import procedures with a registration file for paying the import duty at preferential rates corresponding to the certified localization ratios. This file includes:

- **a written certification of the technical conditions, production technology capacity and localization rates of products and spare parts of the enterprise (for products and spare parts which have been registered for localization in the first year) issued Ministry of Industry**
- **A list and norms on quantity of semi-finished products, details, detail groups and components constituting a product or spare part. This list must be**

divided into a list of imported semi-finished products, details, detail groups and parts together with their import prices (CIF) and a list of home-made semi-finished products, details, detail groups and parts (for details, detail groups, parts, and spare parts made by the unit itself or purchased from domestic production and assembly units, it must be clearly inscribed that the unit makes them by itself or the supplier's name)

- **A written registration for application of VAT calculation according to the tax deduction method, affixed with the approval opinion of the customs office where the enterprise has registered for tax payment.**

8. After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

ANSWER:

As indicated in the response to Question 7, Ministry of Industry issued a certificate of localization ratio for enterprises which were entitled to the preferential import tariff rate under this program. Based on the registration filed by enterprises and the actual localization ratio as indicated in the settlement report (this report must be certified by the auditors), the custom authority would allow the application of the preferential import tariff rates.

9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.
- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
 - (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
 - (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
 - (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

- (e) Provide any contractual agreements between the GOV and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

ANSWER:

The program is contingent of the localization ratio, which encouraged the use of domestic over imported goods. However, this program was terminated on 1 October 2006.

10. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

ANSWER:

The program was terminated on 1 October 2006. As such, this question is not applicable.

11. For all programs listed in Table 1 (i.e. programs 1 to 19), describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

ANSWER:

The program was terminated on 1 October 2006 as provided under Decision 43/2006/QD-BTC. As such, 30 September 2006 is the last date for a company to receive benefit under the program. Exhibit 5 provides Decision 43/2006/QD-BTC.

PROGRAM 2: SUPPORT FOR THE IMPLEMENTATION OF PROJECTS MANUFACTURING PRIORITY INDUSTRIAL PRODUCTS

1. Provide full details of the each of the above programs including the following:
 - (a) policy objective and/or purpose of the program.
 - (b) legislation under which the subsidy is granted.
 - (c) nature or form of the subsidy.
 - (d) when the program was established.
 - (e) duration of the program.
 - (f) how the program is administered and explain how it operates.

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- (g) to whom and how is the program provided.
- (h) the GOV department or agency administering the program.
- (i) the eligibility criteria in order to receive benefits under the program.

ANSWER:

This program provided support for the implementation of manufacturing projects of priority industrial products including shipbuilding, combustion engines, color television sets and computers for purpose of boosting the development of these sectors in Vietnam as provided under Decision 37/2000/QD-TTg dated 4 March 2000 and Decision 19/2001/QD-TTg dated 20 February 2001. As such, galvanized steel industry was not entitled to benefits under this program.

Support under this program includes the following:

- **Import duty exemption until the end of 31 December 2003 as provided under Point 1, Section II of Appendix 1, 2 and 3 of Decision 37/2000/QD-TTg and Point 1, Section II of Appendix to Decision 19/2001/QD-TTg.**
- **Preferential corporate income tax rate of 25%, income tax payment exemption for 2 years and 50% reduction of income tax payment for the next 2 years as provided under Point 1, Section II of Appendix 1, 2 and 3 of Decision 37/2000/QD-TTg and Point 1, Section II of Appendix to Decision 19/2001/QD-TTg.**
- **Investment credit from the Assistance Development Fund with the term of no more than 10 years as provided under Point 2 Section II of Appendix 1, 2 and 3 of Decision 37/2000/QD-TTg and Point 2, Section II of Appendix to Decision 19/2001/QD-TTg.**
- **50% reduction of land rent payment for the whole project as provided under Point 3, Section II of Appendix 1, 2 and 3 of Decision 37/2000/QD-TTg and Point 2, Section II of Appendix to Decision 19/2001/QD-TTg.**

Ministry of Finance and Ministry of Industry administered this program. In particular, Ministry of Industry issued Circular 03/2000/TT-BCN dated 31 May 2000 and Circular 04/2001/TT-BCN dated 6 June 2001 which identifies certain enterprises of these above sectors that were entitled to the support. Ministry of Finance issued Circular 86/2000/TT-

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BTC dated 16 August 2000 further elaborated the implementation of the support. No galvanized steel producers were included in these circulars.

As of December 2005, the program was in fact terminated as its benefits were eliminated under various regulations as follows:

- **Circular 04/2001/TT-BCN identifying enterprises subject to this program was annulled by Decision 43/2006/QD-BCN dated 7 December 2006**
- **Benefits relating to import – export duty under this program were annulled by Section M of Circular 113/2005/TT-BTC dated 15 December 2005**
- **Corporate income tax benefits were annulled by Article 31 of the Law on Corporate Income Tax No 09/2003/QH11 dated 17 June 2003.**
- **Investment credit benefits were annulled by Article 42 of Decree 106/2004/ND-CP dated 1 April 2004.**
- **Land rent benefits were annulled by Article 27 of Decree 142/2005/ND-CP dated 14 November 2005.**

2. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

ANSWER:

Please refer to Exhibit 6 for:

- **Decision 37/2000/QD-TTg dated 20 November 2000**
- **Decision 19/2001/QD-TTg dated 20 February 2001**
- **Circular 03/2000/TT-BCN dated 31 May 2000**
- **Circular 04/2001/TT-BCN dated 6 June 2001**
- **Circular 86/2000/TT-BTC dated 16 August 2000**
- **Decision 43/2006/QD-BCN dated 7 December 2006**
- **Circular 113/2005/TT-BTC dated 15 December 2005**
- **Decree 106/2004/ND-CP dated 1 April 2004**
- **Decree 142/2005/ND-CP dated 14 November 2005**
- **Decree 164/2003/ND-CP dated 22 December 2003**

PUBLIC VERSION

3. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

ANSWER:

The provincial custom authority maintained import declaration and registration file submitted by companies applied for the preferential import duty rate.

4. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-1** (or in a Microsoft Excel compatible format):
 - (a) the business' address (including the city, province and region);
 - (b) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
 - (c) if the business is not an SIE, whether it is otherwise associated with the GOV; and
 - (d) whether the entity produces galvanised steel
5. Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

ANSWER:

The GOV does not have any available statistics on the companies that received benefits under this program and thus is unable to answer this question to all of them. In an attempt to cooperate and response to the Commission's question, the GOV answers this question with regards to exporters of galvanized steel products to Australia during the POI.

Regarding this program, the GOV notes that it was terminated on 1 October 2006 which is long before the POI. In addition, this program did not apply to galvanized steel products. As such, no exporters of galvanized steel products to Australia received benefit under this program during the POI.

6. For each entity identified in your response to Question 4 above that is an SIE, answer the following questions regarding their performance and profits.
 - (a) How are the operations of the enterprise funded?

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- (b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOV holds an interest.
- (c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.
- (d) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:
 - output and quality performance;
 - performance of employees/directors/managers; and
 - financial performance.

If any other GOV entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

- (e) Provide details of any official reporting mechanisms that the enterprise must comply with.
- (f) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.
- (g) How are profits of the enterprise distributed and to whom?
- (h) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.
- (i) Over the past 10 years, has the GOV provided any payment or made any injection of funds to the enterprise, including but not limited to:
 - grants;
 - prizes;
 - awards;
 - stimulus payments and rescue type payments;
 - injected capital funds;
 - purchasing of shares.

PUBLIC VERSION

- (j) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

7. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
- (a) Provide a list of functions the enterprise performs.
 - (b) Provide details of any government policies the enterprise administers or carries out on behalf of the GOV.
 - (c) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
 - (d) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.
 - (e) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
 - (f) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

8. Describe the application process (including any application fees charged by the government agency or authority) for the program.

ANSWER:

Pursuant to Part II.4 of Circular 03/2000/TT-BCN, eligible enterprises as identified in Circular 03/2000/TT-BCN dated 31 May 2000 and Circular 04/2001/TT-BCN dated 6 June

2001 were required to submit a report on the project of producing priority products, one-year or six-month production plan and a list of their suppliers in terms of materials to the Ministry of Industry.

9. After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

ANSWER:

Ministry of Industry would verify the project of an eligible enterprise and notify other relevant agencies (i.e Custom authority, Tax authority..) in terms of granting the support to that enterprise.

10. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.

- (f) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- (g) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- (h) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- (i) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (j) Provide any contractual agreements between the GOV and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

ANSWER:

The support under this program was limited to sectors of shipbuilding, combustion engines, color television sets and computers and their material suppliers. However, the GOV notes that this program was terminated in 2005 - long before the POI.

11. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

ANSWER:

The program was terminated in 2005. As such, this question is not applicable.

12. For all programs listed in Table 1 (i.e. programs 1 to 19), describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

ANSWER:

The program was terminated in 2005.

PROGRAM 3: INVESTMENT INCENTIVES CONTINGENT UPON EXPORT PERFORMANCE FOR DOMESTIC BUSINESSES

1. Provide full details of the each of the above programs including the following:
 - (j) policy objective and/or purpose of the program.
 - (k) legislation under which the subsidy is granted.
 - (l) nature or form of the subsidy.
 - (m) when the program was established.
 - (n) duration of the program.
 - (o) how the program is administered and explain how it operates.
 - (p) to whom and how is the program provided.
 - (q) the GOV department or agency administering the program.
 - (r) the eligibility criteria in order to receive benefits under the program.

ANSWER:

Investment incentives for domestic exporting enterprises were triggered in 1998 and terminated in October 2006. Therefore, this program is outside the period of investigation in this case.

PUBLIC VERSION

The program is aimed at encouraging the domestic investment in manufacturing and trading goods for export purposes. Incentives under this program are contingent on export performance of domestic enterprises. These incentives include the following:

- **Corporate income tax preferences include preferential tax rate, tax exemption and reduction as provided under:**
 - **Article 20 and 21 of Decree 51/1999/ND-CP dated 20 May 1999 for domestic exporters with at least 30% revenue from export. These incentives were valid during 23 July 1999 and 6 January 2004.**
 - **Articles 35-39 of Decree 164/2003/ND-CP dated 22 December 2003 for domestic exporters with at least 50% revenue from export. These incentives were valid from 7 January 2004 to 24 October 2006. Decree 164/2003/ND-CP was replaced by Decree 24/2007/ND-CP which eliminates all benefits relating to export performance or ratio.**
- **Import duty exemption for imported equipment and machinery to create fixed assets as provided under Article 26 of Decree 51/1999/ND-CP. These incentives were terminated on 31 December 2005 when this Article was annulled by Article 27 of Decree 149/2005/ND-CP effective since 1 January 2006. Since then, export performance was no longer a criterion for receiving the import duty exemption.**
- **Land rent exemption and reduction as provided under Article 18 of Decree 51/1999/ND-CP. These incentives were terminated on 25 October 2006 when this Decree was replaced by Decree 108/2006/ND-CP. Since 25 October 2006, export performance was no longer a criterion for receiving land rent exemption and reduction.**
- **Land use tax exemption and reduction as provided under Article 19 of Decree 51/1999/ND-CP. These incentives were terminated on 25 October 2006 when this Decree was replaced by Decree 108/2006/ND-CP. Since 25 October 2006, export performance was no longer a criterion for receiving land use tax exemption and reduction**

Ministry of Finance was in charge in issuing circulars to provide guidelines for the implementation of the above incentives. Provincial authority including the licensing authority or tax and custom authority are in charge of granting incentives to eligible enterprises in accordance with the above regulations.

2. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

ANSWER:

Please refer to Exhibit 7 for:

- **Decree 51/1999/ND-CP dated 20 May 1999**
 - **Decree 164/2003/ND-CP dated 22 December 2003**
 - **Decree 108/2006/ND-CP dated 22 September 2006**
 - **Decree 149/2005/ND-CP dated 8 December 2005**
 - **Decree 24/2007/ND-CP dated 14 February 2007**
3. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

ANSWER:

Income tax returns, land use tax returns, import declaration and land rent documents are among records maintained by the provincial authority.

4. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-1** (or in a Microsoft Excel compatible format):
 - (e) the business' address (including the city, province and region);
 - (f) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
 - (g) if the business is not an SIE, whether it is otherwise associated with the GOV;and
 - (h) whether the entity produces galvanised steel

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

ANSWER:

The GOV notes that this program was terminated in 2007 which is long before the POI. No companies accrued or received benefit under this program during the POI.

PUBLIC VERSION

5. For each entity identified in your response to Question 4 above that is an SIE, answer the following questions regarding their performance and profits.
- (a) How are the operations of the enterprise funded?
 - (b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOV holds an interest.
 - (c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.
 - (d) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:
 - output and quality performance;
 - performance of employees/directors/managers; and
 - financial performance.
- If any other GOV entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.*
- (e) Provide details of any official reporting mechanisms that the enterprise must comply with.
 - (f) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.
 - (g) How are profits of the enterprise distributed and to whom?
 - (h) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.
 - (i) Over the past 10 years, has the GOV provided any payment or made any injection of funds to the enterprise, including but not limited to:
 - grants;
 - prizes;
 - awards;
 - stimulus payments and rescue type payments;

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- injected capital funds;
 - purchasing of shares.
- (j) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

6. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
- (a) Provide a list of functions the enterprise performs.
 - (b) Provide details of any government policies the enterprise administers or carries out on behalf of the GOV.
 - (c) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
 - (d) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.
 - (e) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
 - (f) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

7. Describe the application process (including any application fees charged by the government agency or authority) for the program.

ANSWER:

There is no application and approval process for these incentives. Eligible exporters relied on the relevant regulations to claim for each incentive at the time of importation, of filing tax returns to the provincial authority or payment of land rental. They took responsibility for the accuracy and completeness of their claims which would be subject to the authority's examination.

8. After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

ANSWER:

Please refer to the answer to Question 7.

9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.
 - (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
 - (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
 - (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
 - (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
 - (e) Provide any contractual agreements between the GOV and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

ANSWER:

The program is contingent of export performance of domestic enterprises. However, this program was terminated on 21 March 2007 as indicated in the response to Question 1.

10. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

ANSWER:

The GOV does not have any available statistics on the amount of benefits under this program received by each industry and region and thus is unable to answer this question to all of them. In an attempt to cooperate and response to the Commission's question, the GOV answers this question with regards to exporters of galvanized steel products to Australia during the POI as indicated in the response to Question 4.

11. For all programs listed in Table 1 (i.e. programs 1 to 19), describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

ANSWER:

The program was terminated in 2007.

PROGRAM 4: OTHER INVESTMENT INCENTIVES FOR DOMESTIC BUSINESSES

1. Provide full details of the each of the above programs including the following:
 - (a) policy objective and/or purpose of the program.
 - (b) legislation under which the subsidy is granted.
 - (c) nature or form of the subsidy.
 - (d) when the program was established.
 - (e) duration of the program.
 - (f) how the program is administered and explain how it operates.
 - (g) to whom and how is the program provided.
 - (h) the GOV department or agency administering the program.
 - (i) the eligibility criteria in order to receive benefits under the program.

ANSWER:

Investment incentives for domestic enterprises were triggered in 1998 and terminated on 1 July 2006. Therefore, this program is outside the period of investigation in this case.

The program is aimed at encouraging domestic investment in industries, business sectors and geographical areas where investments are beneficial to the country. As such, being a domestic enterprise is not sufficient enough to receive benefits under this program. Rather, such enterprise must invest either in the sectors of investment preferences or in the areas of investment preferences in order to obtain the benefit. Since 1 July 2006, the Law on Investment 2005 made no difference in terms of treatment towards domestic and foreign enterprises.

Incentives under this program include the following:

- **Corporate income tax preferences include preferential tax rate, tax exemption and reduction as provided under:**
 - **Article 20 and 21 of Decree 51/1999/ND-CP dated 20 May 1999 for domestic enterprises which invested in sectors and areas of investment preferences.²**
 - **Articles 35-39 of Decree 164/2003/ND-CP dated 22 December 2003 for domestic exporters which invested in sectors and areas of investment preferences. These incentives were valid from 7 January 2004 to 24 October 2006. Since 25 October 2006, these incentives were terminated as provided under Decree 108/2006/ND-CP³**
- **Import duty exemption for imported equipment and machinery to create fixed assets as provided under Article 26 of Decree 51/1999/ND-CP. These incentives were terminated on 31 December 2005 when this Article was annulled by Article 27 of Decree 149/2005/ND-CP effective since 1 January 2006 which made no differences in terms of treatment towards domestic and foreign invested enterprises.**

² The GOV identified different list of sectors and areas of investment preferences for different time periods. In details, Appendix A and B to Decree 51/1999/ND-CP identified list of sectors and areas subject to investment preferences and were later amended and supplemented by Appendix A and B to Decree 35/2002/ND-CP. In terms of income tax preferences, these appendices were valid until 6 January 2004 when they were replaced by Appendix A and B to Decree 164/2003/ND-CP

³ Since 26 October 2006, Appendix 1 to Decree 108/2006/ND-CP replaced Appendix A of Decree 164/2003/ND-CP. Accordingly, export performance was no longer considered as a sector of investment preferences.

PUBLIC VERSION

- **Land rent exemption and reduction as provided under Article 18 of Decree 51/1999/ND-CP. These incentives were terminated on 25 October 2006 when this Decree was replaced by Decree 108/2006/ND-CP which made no differences in terms of treatment towards domestic and foreign invested enterprises.**
- **Land use tax exemption and reduction as provided under Article 19 of Decree 51/1999/ND-CP. These incentives were terminated on 25 October 2006 when this Decree was replaced by Decree 108/2006/ND-CP which made no differences in terms of treatment towards domestic and foreign invested enterprises.**

Ministry of Finance was in charge of issuing circulars to provide guidelines for the implementation of the above incentives. Provincial authority including the licensing authority or tax and custom authority are in charge of granting incentives to eligible enterprises in accordance with the above regulations.

2. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

ANSWER:

Please refer to Exhibit 7 for:

- **Decree 51/1999/ND-CP dated 20 May 1999**
 - **Decree 164/2003/ND-CP dated 22 December 2003**
 - **Decree 108/2006/ND-CP dated 22 September 2006**
 - **Decree 149/2005/ND-CP dated 8 December 2005**
3. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

ANSWER:

Income tax returns, land use tax returns, import declaration and land rent documents are among records maintained by the provincial authority.

PUBLIC VERSION

4. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-1** (or in a Microsoft Excel compatible format):
- (i) the business' address (including the city, province and region);
 - (j) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
 - (k) if the business is not an SIE, whether it is otherwise associated with the GOV; and
 - (l) whether the entity produces galvanised steel

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

ANSWER:

The GOV does not have any available statistics on the companies that received benefits under this program and thus is unable to answer this question to all of them. In an attempt to cooperate and response to the Commission's question, the GOV answers this question with regards to exporters of galvanized steel products to Australia during the POI

Regarding this program, the GOV notes that it was terminated in 2006 which is long before the POI. In addition, no exporters of galvanized steel products to Australia received benefit under this program during the POI.

5. For each entity identified in your response to Question 4 above that is an SIE, answer the following questions regarding their performance and profits.
- (a) How are the operations of the enterprise funded?
 - (b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOV holds an interest.
 - (c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.
 - (d) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:
 - output and quality performance;
 - performance of employees/directors/managers; and

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- financial performance.

If any other GOV entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

- (e) Provide details of any official reporting mechanisms that the enterprise must comply with.
- (f) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.
- (g) How are profits of the enterprise distributed and to whom?
- (h) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.
- (i) Over the past 10 years, has the GOV provided any payment or made any injection of funds to the enterprise, including but not limited to:
 - grants;
 - prizes;
 - awards;
 - stimulus payments and rescue type payments;
 - injected capital funds;
 - purchasing of shares.
- (j) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

- 6. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
 - (g) Provide a list of functions the enterprise performs.

PUBLIC VERSION

- (h) Provide details of any government policies the enterprise administers or carries out on behalf of the GOV.
- (i) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
- (j) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.
- (k) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
- (l) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

- 7. Describe the application process (including any application fees charged by the government agency or authority) for the program.

ANSWER:

There is no application and approval process for these incentives. Eligible domestic enterprises relied on the relevant regulations to claim for each incentive at the time of importation, of filing tax returns to the provincial authority or payment of land rental. They took responsibility for the accuracy and completeness of their claims which would be subject to the authority's examination and inspection.

After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

ANSWER:

Please refer to the answer to Question 7.

- 8. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.

PUBLIC VERSION

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (e) Provide any contractual agreements between the GOV and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

ANSWER:

The program is limited to domestic enterprises who invested in sectors and/or areas of investment preferences. However, this program was terminated in 2006.

- 9. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

ANSWER:

The program was terminated on 1 July 2006. As such, this question is not applicable.

- 10. For all programs listed in Table 1 (i.e. programs 1 to 19), describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

ANSWER:

The program was terminated in 2006.

PROGRAM 5: INVESTMENT INCENTIVES CONTINGENT UPON EXPORT PERFORMANCE FOR FOREIGN INVESTED ENTERPRISES

1. Provide full details of the each of the above programs including the following:
 - (a) policy objective and/or purpose of the program.
 - (b) legislation under which the subsidy is granted.
 - (c) nature or form of the subsidy.
 - (d) when the program was established.
 - (e) duration of the program.
 - (f) how the program is administered and explain how it operates.
 - (g) to whom and how is the program provided.
 - (h) the GOV department or agency administering the program.
 - (i) the eligibility criteria in order to receive benefits under the program.

ANSWER:

Investment incentives for foreign invested enterprises upon on export performance were triggered in 2000 and terminated in 2007. Therefore, this program is outside the period of investigation in this case.

The program is aimed at encouraging foreign direct investment in export production sector. Incentives under this program are contingent on export performance of foreign enterprises. Incentives under this program include the following:

- **Corporate income tax preferences include preferential tax rate, tax exemption and reduction as provided under:**
 - **Article 46 and 48 of Decree 24/2000/ND-CP dated 31 July 2000 effective from 1 August 2000 to 6 January 2004.**
 - **Article 35-39 of Decree 164/2003/ND-CP dated 22 December 2003 effective from 7 January 2004 to 24 October 2006. Decree 164/2003/ND-CP was replaced by Decree 24/2007/ND-CP dated 14 February 2007 which eliminates all benefits relating to export performance or ratio.**

PUBLIC VERSION

- **Import duty exemption for imported equipment and machinery to create fixed assets as provided under Article 57 of Decree 24/2000/ND-CP. These incentives were terminated on 31 December 2005 when this Article was annulled by Article 27 of Decree 149/2005/ND-CP effective since 1 January 2006. Since then, export performance was no longer a criterion for receiving the import duty exemption.**

Ministry of Finance was in charge of issuing circulars to provide guidelines for the implementation of the above incentives. Provincial authority including the licensing authority or tax and custom authority are in charge of granting incentives to eligible enterprises in accordance with the above regulations.

2. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

ANSWER:

Please refer to Exhibit 8 for:

- **Decree 24/2000/ND-CP dated 31 July 2000**
 - **Decree 164/2003/ND-CP dated 22 December 2003**
 - **Decree 108/2006/ND-CP dated 22 September 2006**
 - **Decree 149/2005/ND-CP dated 8 December 2005**
 - **Decree 24/2007/ND-CP dated 14 February 2007**
3. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

ANSWER:

Income tax returns and import declaration are among records maintained by the provincial authority.

4. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-1** (or in a Microsoft Excel compatible format):
 - (a) the business' address (including the city, province and region);

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- (b) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
- (c) if the business is not an SIE, whether it is otherwise associated with the GOV; and
- (d) whether the entity produces galvanised steel

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

ANSWER:

Regarding this program, the GOV notes that it was terminated in 2007 in accordance with Vietnam's commitment of eliminating export subsidies. No companies accrued or received benefit under this program during the POI.

5. For each entity identified in your response to Question 4 above that is an SIE, answer the following questions regarding their performance and profits.

- (k) How are the operations of the enterprise funded?
- (l) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOV holds an interest.
- (m) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.
- (n) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:
 - output and quality performance;
 - performance of employees/directors/managers; and
 - financial performance.

If any other GOV entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

- (o) Provide details of any official reporting mechanisms that the enterprise must comply with.
- (p) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.

PUBLIC VERSION

- (q) How are profits of the enterprise distributed and to whom?
- (r) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.
- (s) Over the past 10 years, has the GOV provided any payment or made any injection of funds to the enterprise, including but not limited to:
 - grants;
 - prizes;
 - awards;
 - stimulus payments and rescue type payments;
 - injected capital funds;
 - purchasing of shares.
- (t) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

- 6. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
 - (m) Provide a list of functions the enterprise performs.
 - (n) Provide details of any government policies the enterprise administers or carries out on behalf of the GOV.
 - (o) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
 - (p) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.

PUBLIC VERSION

- (q) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
- (r) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

- 7. Describe the application process (including any application fees charged by the government agency or authority) for the program.

ANSWER:

There is no application and approval process for these incentives. Eligible domestic enterprises relied on the relevant regulations to claim for each incentive at the time of importation, of filing tax returns to the provincial authority. They took responsibility for the accuracy and completeness of their claims which would be subject to the authority's examination and inspection.

- 8. After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

ANSWER:

Please refer to the answer to Question 7.

- 9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.
 - (f) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
 - (g) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
 - (h) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

- (i) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (j) Provide any contractual agreements between the GOV and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

ANSWER:

The program is limited to foreign exporters. However, it was terminated in 2007.

- 10. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

ANSWER:

The program was terminated on 25 October 2006. As such, this question is not applicable.

- 11. For all programs listed in Table 1 (i.e. programs 1 to 19), describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

ANSWER:

The program was terminated on in 2007.

PROGRAM 6: OTHER INVESTMENT INCENTIVES FOR FOREIGN INVESTED ENTERPRISES

- 1. Provide full details of the each of the above programs including the following:
 - (a) policy objective and/or purpose of the program.
 - (b) legislation under which the subsidy is granted.
 - (c) nature or form of the subsidy.
 - (d) when the program was established.
 - (e) duration of the program.
 - (f) how the program is administered and explain how it operates.

- (g) to whom and how is the program provided.
- (h) the GOV department or agency administering the program.
- (i) the eligibility criteria in order to receive benefits under the program.

ANSWER:

Investment incentives for foreign enterprises were triggered in 2000 and terminated on 1 July 2006. Therefore, this program is outside the period of investigation in this case.

The program is aimed at encouraging foreign investment in industries, business sectors and geographical areas where investments are beneficial to the country. As such, being a foreign invested enterprise is not sufficient enough to receive benefits under this program. Rather, such enterprise must invest either in the sectors of investment preferences or in the areas of investment preferences in order to obtain the benefit. Since 1 July 2006, the Law on Investment 2005 made no difference in terms of treatment towards domestic and foreign enterprises, leading to the termination of this program.

Incentives under this program include the following:

- **Corporate income tax preferences include preferential tax rate, tax exemption and reduction as provided under:**
 - **Article 46 and 48 of Decree 24/2000/ND-CP dated 31 July 2000 effective from 1 August 2000 to 6 January 2004.**
 - **Article 35-39 of Decree 164/2003/ND-CP dated 22 December 2003 effective from 7 January 2004 to 24 October 2006. Since 25 October 2006, these incentives were terminated as provided under Decree 108/2006/ND-CP which made no differences in terms of treatment towards domestic and foreign invested enterprises.**
- **Import duty exemption for imported equipment and machinery to create fixed assets as provided under Article 57 of Decree 51/1999/ND-CP. These incentives were terminated on 31 December 2005 when this Article was annulled by Article 27 of Decree 149/2005/ND-CP effective since 1 January 2006 which made no differences in terms of treatment towards domestic and foreign invested enterprises.**

Ministry of Finance was in charge of issuing circulars to provide guidelines for the implementation of the above incentives. Provincial authority including the licensing

authority or tax and custom authority are in charge of granting incentives to eligible enterprises in accordance with the above regulations.

2. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

ANSWER:

Please refer to Exhibit 8 for:

- a. **Decree 24/2000/ND-CP dated 31 July 2000**
 - b. **Decree 164/2003/ND-CP dated 22 December 2003**
 - c. **Decree 108/2006/ND-CP dated 22 September 2006**
 - d. **Decree 149/2005/ND-CP dated 8 December 2005**
3. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

ANSWER:

Income tax returns and import declaration and land rent documents are among records maintained by the provincial authority.

4. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-1** (or in a Microsoft Excel compatible format):
 - (a) the business' address (including the city, province and region);
 - (b) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
 - (c) if the business is not an SIE, whether it is otherwise associated with the GOV; and
 - (d) whether the entity produces galvanised steel

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

ANSWER:

The GOV does not have any available statistics on the companies that received benefits under this program and thus is unable to answer this question to all of them. In an attempt

to cooperate and response to the Commission's question, the GOV answers this question with regards to exporters of galvanized steel products to Australia during the POI

Regarding this program, the GOV notes that it was terminated in 2006 which is long before the POI. In addition, no exporters of galvanized steel products to Australia received benefit under this program during the POI.

5. For each entity identified in your response to Question 4 above that is an SIE, answer the following questions regarding their performance and profits.

- (a) How are the operations of the enterprise funded?
- (b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOV holds an interest.
- (c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.
- (d) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:
 - output and quality performance;
 - performance of employees/directors/managers; and
 - financial performance.

If any other GOV entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

- (e) Provide details of any official reporting mechanisms that the enterprise must comply with.
- (f) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.
- (g) How are profits of the enterprise distributed and to whom?
- (h) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.
- (i) Over the past 10 years, has the GOV provided any payment or made any injection of funds to the enterprise, including but not limited to:

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- grants;
 - prizes;
 - awards;
 - stimulus payments and rescue type payments;
 - injected capital funds;
 - purchasing of shares.
- (j) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

6. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
- (a) Provide a list of functions the enterprise performs.
 - (b) Provide details of any government policies the enterprise administers or carries out on behalf of the GOV.
 - (c) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
 - (d) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.
 - (e) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
 - (f) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

7. Describe the application process (including any application fees charged by the government agency or authority) for the program.

ANSWER:

There is no application and approval process for these incentives. Eligible domestic enterprises relied on the relevant regulations to claim for each incentive at the time of importation, of filing tax returns to the provincial. They took responsibility for the accuracy and completeness of their claims which would be subject to the authority's examination and inspection.

8. After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

ANSWER:

Please refer to the answer to Question 7.

9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.
 - (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
 - (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
 - (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
 - (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
 - (e) Provide any contractual agreements between the GOV and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

ANSWER:

The program is limited to foreign enterprises who invested in sectors and/or areas of investment preferences.

10. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

ANSWER:

The program was terminated on 1 July 2006. Thus, this question is not applicable.

11. For all programs listed in Table 1 (i.e. programs 1 to 19), describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

ANSWER:

The program was terminated on 1 July 2006.

**PROGRAM 7: PREFERENTIAL INVESTMENT CREDIT FOR DEVELOPMENT
CONTINGENT UP ON EXPORT CRITERIA**

1. Provide full details of the each of the above programs including the following:
- (a) policy objective and/or purpose of the program.
 - (b) legislation under which the subsidy is granted.
 - (c) nature or form of the subsidy.
 - (d) when the program was established.
 - (e) duration of the program.
 - (f) how the program is administered and explain how it operates.
 - (g) to whom and how is the program provided.
 - (h) the GOV department or agency administering the program.
 - (i) the eligibility criteria in order to receive benefits under the program.

ANSWER:

Preferential investment credit for development contingent upon export criteria was triggered in 2001 and terminated on 16 January 2007. Therefore, this program is outside the period of investigation in this case.

The program is aimed at encouraging enterprises, economic entities and individuals in the production and trading which produce export goods. As such, the program is contingent upon export performance. As part of Vietnam's commitments to access the WTO, this program was terminated on 16 January 2007 as provided under Decree 151/2006/ND-CP.

Preferential investment credits under this program include the following:

- Medium and long term investment loans for investment projects of producing, manufacturing or processing export goods with export revenue accounting for at least 30% total annual revenue and at least 80% of total revenue if the project is a joint-venture as provided under Article 6 of Decision 133/2001/QD-TTg.
- Post investment interest rate support for investment projects (i) of producing, manufacturing or processing export goods with export revenue accounting for at least 30% total annual revenue and (ii) not receiving medium and long term investment loans, as provided under Article 3 of Decision 133/2001/QD-TTg. The interest rate support amount is equal to the difference between the interest rate of credit institutions and that of the state investment credit at the time of receiving the credit.
- Investment credit guaranty for enterprises of producing, manufacturing or processing export goods with export revenue accounting for at least 30% total annual revenue as provided under Article 6 of Decision 133/2001/QD-TTg .

Ministry of Finance issued circulars to provide guidelines for the implementation of the above incentives. The Development Assistance Fund provided investment credits to eligible entities and individuals in accordance with the above regulation.

2. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

ANSWER:

Please refer to Exhibit 9 for:

a. Decision 133/2001/QD-TTg dated 10 September 2001

b. Decree 151/2006/ND-CP dated 20 December 2006.

3. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

ANSWER:

Assistance Development Fund maintained loan records and all the documents relating to post investment interest rate support and investment loan guaranty.

4. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-1** (or in a Microsoft Excel compatible format):
- (a) the business' address (including the city, province and region);
 - (b) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
 - (c) if the business is not an SIE, whether it is otherwise associated with the GOV;and
 - (d) whether the entity produces galvanised steel

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

ANSWER:

The GOV does not have any available statistics on the companies that received benefits under this program and thus is unable to answer this question to all of them. In an attempt to cooperate and response to the Commission's question, the GOV answers this question with regards to exporters of galvanized steel products to Australia during the POI.

Regarding this program, the GOV notes that it was terminated in 2006 which is long before the POI. In addition, no exporters of galvanized steel products to Australia received benefit under this program during the POI.

5. For each entity identified in your response to Question 4 above that is an SIE, answer the following questions regarding their performance and profits.
- (a) How are the operations of the enterprise funded?

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- (b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOV holds an interest.
- (c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.
- (d) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:
 - output and quality performance;
 - performance of employees/directors/managers; and
 - financial performance.

If any other GOV entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

- (e) Provide details of any official reporting mechanisms that the enterprise must comply with.
- (f) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.
- (g) How are profits of the enterprise distributed and to whom?
- (h) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.
- (i) Over the past 10 years, has the GOV provided any payment or made any injection of funds to the enterprise, including but not limited to:
 - grants;
 - prizes;
 - awards;
 - stimulus payments and rescue type payments;
 - injected capital funds;
 - purchasing of shares.

PUBLIC VERSION

- (j) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

- 6. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
 - (a) Provide a list of functions the enterprise performs.
 - (b) Provide details of any government policies the enterprise administers or carries out on behalf of the GOV.
 - (c) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
 - (d) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.
 - (e) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
 - (f) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

- 7. Describe the application process (including any application fees charged by the government agency or authority) for the program.

ANSWER:

Eligible exporters wishing to receive the preferential investment credit were required to follow the Assistance Development Fund's regulation and procedure of providing investment loan, or post-investment interest rate support or investment credit guaranty.

8. After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

ANSWER:

The Assistance Development Fund conducted appraisal of loan or credit proposals submitted by eligible exporters. This serves as the basis for decision to approve or disapprove the provisions of the credit.

9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.
- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
 - (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
 - (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
 - (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
 - (e) Provide any contractual agreements between the GOV and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

ANSWER:

The program is contingent upon export performance. However, as indicated in the response to Question 1, this program was terminated in 2007.

10. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

ANSWER:

The program was terminated on 16 January 2007. Therefore, this question is not applicable

11. For all programs listed in Table 1 (i.e. programs 1 to 19), describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

ANSWER:

The program was terminated on 16 January 2007.

**PROGRAM 8: PREFERENTIAL INVESTMENT CREDIT FOR DEVELOPMENT
CONTINGENT UP ON LOCALIZATION RATIOS**

1. Provide full details of the each of the above programs including the following:
 - (a) policy objective and/or purpose of the program.
 - (b) legislation under which the subsidy is granted.
 - (c) nature or form of the subsidy.
 - (d) when the program was established.
 - (e) duration of the program.
 - (f) how the program is administered and explain how it operates.
 - (g) to whom and how is the program provided.
 - (h) the GOV department or agency administering the program.
 - (i) the eligibility criteria in order to receive benefits under the program.

ANSWER:

Preferential development credit contingent upon localization ratios was triggered in 2004 and terminated on 16 January 2007. Therefore, this program is outside the period of investigation in this case.

The program is aimed at encouraging enterprises and individuals to develop the domestic production and raise locally added value ratios. As such, the program is contingent upon

the use of domestic over imports. As part of Vietnam's commitments to access the WTO, this program was terminated on 16 January 2007 as provided under Decree 151/2006/ND-CP.

Benefits under this program were provided to investment projects of manufacturing passenger vehicles of 25 seats or more with the minimum localization ratio of 40% as provided under Point 09 of Appendix to Decree 106/2004/ND-CP dated 1 April 2004. Pursuant to Article 2 of this Decree, the benefits include:

- Medium and long term investment loans
- Post investment interest rate support which is equal to the difference between the interest rate of credit institutions and that of the state investment credit.
- Investment credit guaranty

Ministry of Finance issued circulars to provide guidelines for the implementation of the above benefits. The Development Assistance Fund provided investment credits to eligible entities and individuals in accordance with the above regulation.

2. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

ANSWER:

Please refer to Exhibit 10 for:

- a. Decree 106/2004/ND-CP dated 1 April 2004
 - b. Decree 151/2006/ND-CP dated 20 December 2006.
3. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

ANSWER:

Assistance Development Fund maintained loan records and all the documents relating to post investment interest rate support and investment loan guaranty.

PUBLIC VERSION

4. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-1** (or in a Microsoft Excel compatible format):

- (a) the business' address (including the city, province and region);
- (b) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
- (c) if the business is not an SIE, whether it is otherwise associated with the GOV; and
- (d) whether the entity produces galvanised steel

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

ANSWER:

The GOV does not have any available statistics on the companies that received benefits under this program and thus is unable to answer this question to all of them. In an attempt to cooperate and response to the Commission's question, the GOV answers this question with regards to exporters of galvanized steel products to Australia during the POI.

Regarding this program, the GOV notes that benefits upon localization ratios applied to producers of passenger vehicles only. Thus, no exporters of galvanized steel products to Australia received benefit under this program during the POI.

5. For each entity identified in your response to Question 4 above that is an SIE, answer the following questions regarding their performance and profits.

- (k) How are the operations of the enterprise funded?
- (l) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOV holds an interest.
- (m) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.
- (n) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:
 - output and quality performance;
 - performance of employees/directors/managers; and

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- financial performance.

If any other GOV entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

- (o) Provide details of any official reporting mechanisms that the enterprise must comply with.
- (p) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.
- (q) How are profits of the enterprise distributed and to whom?
- (r) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.
- (s) Over the past 10 years, has the GOV provided any payment or made any injection of funds to the enterprise, including but not limited to:
- grants;
 - prizes;
 - awards;
 - stimulus payments and rescue type payments;
 - injected capital funds;
 - purchasing of shares.
- (t) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

PUBLIC VERSION

6. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
- (g) Provide a list of functions the enterprise performs.
 - (h) Provide details of any government policies the enterprise administers or carries out on behalf of the GOV.
 - (i) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
 - (j) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.
 - (k) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
 - (l) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

7. Describe the application process (including any application fees charged by the government agency or authority) for the program.

ANSWER:

Eligible enterprises wishing to receive the preferential investment credit were required to follow the Assistance Development Fund's regulation and procedure of providing investment loan, or post-investment interest rate support or investment credit guaranty.

8. After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

ANSWER:

The Assistance Development Fund conducted appraisal of loan or credit proposals submitted by eligible enterprises. This serves as the basis for decision to approve or disapprove the provisions of the credit.

9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.
- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
 - (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
 - (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
 - (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
 - (e) Provide any contractual agreements between the GOV and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

ANSWER:

The program is contingent upon the localization ratios of producers of passenger vehicles. However, as indicated in the response to Question 1, this program was terminated in 2007.

10. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

ANSWER:

The program was terminated on 16 January 2007. Therefore, this question is not applicable

11. For all programs listed in Table 1 (i.e. programs 1 to 19), describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or

claim benefits under the program. When is the last date that a company could receive benefits under the program?

ANSWER:

The program was terminated on 16 January 2007. As such, 15 January 2007 is the last date that a company could apply for benefits under this program.

PROGRAM 9: OTHER PREFERENTIAL INVESTMENT CREDIT FOR DEVELOPMENT

1. Provide full details of the each of the above programs including the following:
 - (a) policy objective and/or purpose of the program.
 - (b) legislation under which the subsidy is granted.
 - (c) nature or form of the subsidy.
 - (d) when the program was established.
 - (e) duration of the program.
 - (f) how the program is administered and explain how it operates.
 - (g) to whom and how is the program provided.
 - (h) the GOV department or agency administering the program.
 - (i) the eligibility criteria in order to receive benefits under the program.

ANSWER:

Other preferential investment credit refers to investment credit of which the provision is not contingent upon export criteria or localization ratio. The program is provided under the following regulations:

- **Decree 106/2004/ND-CP dated 1 April 2004 effective during 27 April 2004 and 15 January 2007. This Decree was supplemented by Decree 20/2005/ND-CO dated 28 February 2005 effective from 17 March 2005 to 15 January 2007.**
- **Decree 151/2006/ND-CP dated 20 December 2006 effective during 16 January 2007 and 20 October 2011 and Decree 106/2008/ND-CP effective during 19 October 2008 and 19 October 2011.**

PUBLIC VERSION

- Decree 75/2011/ND-CP dated 20 August 2011 effective since 20 October 2011 until now. This Decree was amended and supplemented by Decree 54/2013/ND-CP dated 22 May 2013 which was later amended and supplemented by Decree 133/2013/ND-CP dated 17 October 2013.

The program is aimed at providing support for investment projects of economic sectors in a number of sectors and regions that have direct impacts on the transformation of economic structure and promote sustainable growth. Investment credit under this program includes:

- Medium and long term investment loans
- Post investment interest rate support which is equal to the difference between the interest rate of credit institutions and that of the state investment credit.
- Investment credit guaranty

Eligibility to receive investment credit under this program is provided under the List of projects entitled to investment credits of Decree 106 or Decree 151 or Decree 106 or Decree 75.

Ministry of Finance issues circulars to provide guidelines for the implementation of the program. The Vietnam Development Bank (formerly known as the Development Assistance Fund) provides investment credits to eligible entities in accordance with the above regulations and its own regulations on credit provision.

This program is still in effect.

2. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

ANSWER:

Please refer to Exhibit 11 for:

- a. Decree 106/2004/ND-CP dated 1 April 2004
- b. Decree 151/2006/ND-CP dated 20 December 2006.
- c. Decree 75/2011/ND-CP dated 20 August 2011
- d. Decree 54/2013/ND-CP dated 22 May 2013
- e. Decree 133/2013/ND-CP dated 17 October 2013

PUBLIC VERSION

3. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

ANSWER:

Vietnam Development Bank maintains loan records and all the documents relating to post investment interest rate support and investment loan guaranty.

4. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-1** (or in a Microsoft Excel compatible format):
 - (e) the business' address (including the city, province and region);
 - (f) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
 - (g) if the business is not an SIE, whether it is otherwise associated with the GOV;and
 - (h) whether the entity produces galvanised steel

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

ANSWER:

The GOV does not have any available statistics on the companies that received benefits under this program and thus is unable to answer this question to all of them. In an attempt to cooperate and response to the Commission's question, the GOV answers this question with regards to exporters of galvanized steel products to Australia during the POI.

During the POI, only [REDACTED] had an investment project of building cold rolling factory that received an investment credit loan from Vietnam Development Bank. The GOV notes that this project is to produce cold-rolled steel and thus, does not relate to galvanized steel products. This project of [REDACTED] fell into the List of projects entitled to investment credits of Decree 106/2004/ND-CP. The amount of the loan is [REDACTED] million Vietnam dongs under an investment credit contract signed on [REDACTED]. The lending term is [REDACTED] years and the interest rate of [REDACTED]/year. [REDACTED] paid off the loan in [REDACTED].

No other exporters of galvanized steel products to Australia received benefit under this program during the POI.

5. For each entity identified in your response to Question 4 above that is an SIE, answer the following questions regarding their performance and profits.

- (a) How are the operations of the enterprise funded?
- (b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOV holds an interest.
- (c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.
- (d) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:
 - output and quality performance;
 - performance of employees/directors/managers; and
 - financial performance.

If any other GOV entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

- (e) Provide details of any official reporting mechanisms that the enterprise must comply with.
- (f) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.
- (g) How are profits of the enterprise distributed and to whom?
- (h) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.
- (i) Over the past 10 years, has the GOV provided any payment or made any injection of funds to the enterprise, including but not limited to:
 - grants;
 - prizes;

PUBLIC VERSION

- awards;
 - stimulus payments and rescue type payments;
 - injected capital funds;
 - purchasing of shares.
- (j) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

ANSWER:

This question is not applicable as [REDACTED] is a [REDACTED] owned by the private sector.

6. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
- (a) Provide a list of functions the enterprise performs.
 - (b) Provide details of any government policies the enterprise administers or carries out on behalf of the GOV.
 - (c) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
 - (d) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.
 - (e) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
 - (f) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

ANSWER:

This question is not applicable.

PUBLIC VERSION

7. Describe the application process (including any application fees charged by the government agency or authority) for the program.

ANSWER:

Eligible enterprises wishing to receive the preferential investment credit were required to follow Vietnam Development Bank's regulation and procedure of providing investment loan, or post-investment interest rate support or investment credit guaranty.

8. After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

ANSWER:

Vietnam Development Bank conducted appraisal of loan or credit proposals submitted by eligible enterprises. This serves as the basis for decision to approve or disapprove the provisions of the credit.

9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.
- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
 - (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
 - (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
 - (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
 - (e) Provide any contractual agreements between the GOV and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

ANSWER:

Eligibility to this program is limited to certain sectors and regions as identified under the List of projects entitled to investment credits to Decree 106, or Decree 151 or Decree 108 or Decree 75 depending on the time of applying for investment credit.

10. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

ANSWER:

The GOV does not have statistics of the use of this program by each industry and each region to provide at the request of the Commission. In an attempt to cooperate with the Commission, the GOV provides the answer to this question with regards to the producers of galvanized steels who exported to Australia during the POI, as reported in the response to Question 4 above.

For the calculation of the amount of benefit, please refer to the response of each individual exporter in this case.

11. For all programs listed in Table 1 (i.e. programs 1 to 19), describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

ANSWER:

The program is still in effect. No changes are anticipated.

PROGRAM 10: EXPORT PROMOTION

1. Provide full details of the each of the above programs including the following:
 - (a) policy objective and/or purpose of the program.
 - (b) legislation under which the subsidy is granted.
 - (c) nature or form of the subsidy.
 - (d) when the program was established.
 - (e) duration of the program.
 - (f) how the program is administered and explain how it operates.

PUBLIC VERSION

- (g) to whom and how is the program provided.
- (h) the GOV department or agency administering the program.
- (i) the eligibility criteria in order to receive benefits under the program.

ANSWER:

This program is provided under Decision 195/1999/QD-TTg dated 27 September 1999 on the establishment, use and management of the Export Support Fund and was terminated under Decision 124/2008/QD-TTg on 8 September 2008. As such, this program is outside the POI.

Decision 195/1999/QD-TTg introduced two export bonus programs for exporters of certain commodities: (i) bonus granted for special export performance and (ii) bonus granted for increase of export volume (i.e. if export volume/value by an exporter in the year under consideration exceeds its export value/volume of the previous year. These programs were administered by the Ministry of Finance until 2002 and then by the Ministry of Trade (now MOIT) from 2002 till 2006. The last bonuses were granted in 2006 based on exports in 2005.

Consistent with Vietnam's obligations to phase out all export subsidies under the terms of its Accession to the World Trade Organization, the export bonus programs were terminated for exports after 2005. The termination was effected by *Decision 124/2008/QD-TTg on September 8, 2008*. Before this Decision was issued, however, all the export bonus programs had been terminated in fact. To be more specific, the Prime Minister under Decision 195/1999/QD-TTg, authorized the Ministry of Trade to regulate the approval of export bonuses. The Ministry issued *Decision 02/2002/QD-BTM dated 2 January 2001 on Regulation on Export Award Approval*, thereby establishing a Board of Bonus Approval Consideration (article 8 of Regulation on Export Award Approval- issued along with Decision 02) to determine the criteria for receiving bonuses from the Export Support Fund. On June 29, 2007, the Ministry, pursuant to the order of the under *Resolution 71/2006/QH* to implement the terms of Vietnam's Protocol of Accession to the WTO, issued *Decision 1042/2007/QD-BTM* rescinding its *Decision 02/2002/QD-BTM* and thereby dissolved the Board of Bonus Approval. Therefore, in fact, since June 29, 2007, there has not existed any export bonus program because of the dissolution of the approving body,

2. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

ANSWER:

Please refer to Exhibit 12 for:

- **Decision 195/1999/QD-TTG dated 27 September 1999**
 - **Decision 124/2008/QD-TTg on September 8, 2008**
 - **Decision 02/2002/QD-BTM dated 2 January 2001**
 - **Decision 1042/2007/QD-BTM dated 29 June 2007**
3. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

ANSWER:

Ministry of Industry and Trade (formerly known as Ministry of Trade) maintains bonus application files submitted by exporters as well as the Ministry's decisions on the provision of the bonus issued during the operation of this program.

4. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-1** (or in a Microsoft Excel compatible format):
- (a) the business' address (including the city, province and region);
 - (b) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
 - (c) if the business is not an SIE, whether it is otherwise associated with the GOV;and
 - (d) whether the entity produces galvanised steel

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

ANSWER:

The GOV notes that this program was in fact terminated on 29 June 2007 in accordance with Vietnam's commitments on eliminating export subsidies. No company accrued or received benefits under this program during the POI.

PUBLIC VERSION

5. For each entity identified in your response to Question 4 above that is an SIE, answer the following questions regarding their performance and profits.

- (a) How are the operations of the enterprise funded?
- (b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOV holds an interest.
- (c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.
- (d) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:
 - output and quality performance;
 - performance of employees/directors/managers; and
 - financial performance.

If any other GOV entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

- (e) Provide details of any official reporting mechanisms that the enterprise must comply with.
- (f) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.
- (g) How are profits of the enterprise distributed and to whom?
- (h) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.
- (i) Over the past 10 years, has the GOV provided any payment or made any injection of funds to the enterprise, including but not limited to:
 - grants;
 - prizes;
 - awards;
 - stimulus payments and rescue type payments;

PUBLIC VERSION

- injected capital funds;
 - purchasing of shares.
- (j) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

ANSWER:

This question is not applicable.

6. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
- (a) Provide a list of functions the enterprise performs.
 - (b) Provide details of any government policies the enterprise administers or carries out on behalf of the GOV.
 - (c) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
 - (d) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.
 - (e) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
 - (f) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

ANSWER:

This question is not applicable.

7. Describe the application process (including any application fees charged by the government agency or authority) for the program.

ANSWER:

Exporters were required to file a bonus application file to the Ministry of Industry which indicates their export performance and supporting documents for the export performance they claimed.

8. After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

ANSWER:

The application file was forwarded to a Board of Bonus Approval Consideration which consists of officials of the Ministry of Industry and Ministry of Finance for review. The Board then proposes to the Minister of Industry for the final approval or disapproval of providing bonus to that application.

9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.
- (f) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
 - (g) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
 - (h) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
 - (i) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
 - (j) Provide any contractual agreements between the GOV and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

ANSWER:

The program is contingent upon export performance. However, as indicated in the response to Question 1, this program was in fact terminated on 29 June 2007.

10. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

ANSWER:

The program was terminated in fact on 29 June 2007. Therefore, this question is not applicable

11. For all programs listed in Table 1 (i.e. programs 1 to 19), describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

ANSWER:

The program was terminated in fact on 29 June 2007. As such, 28 June 2007 is the last date that a company could apply for or receive the export bonus.

PROGRAM 11: TRADE PROMOTION

1. Provide full details of the each of the above programs including the following:
 - (a) policy objective and/or purpose of the program.
 - (b) legislation under which the subsidy is granted.
 - (c) nature or form of the subsidy.
 - (d) when the program was established.
 - (e) duration of the program.
 - (f) how the program is administered and explain how it operates.
 - (g) to whom and how is the program provided.
 - (h) the GOV department or agency administering the program.
 - (i) the eligibility criteria in order to receive benefits under the program.

ANSWER:

During the POI, the National Trade Promotion program is provided under Decision 72/2010/QD-TTg dated 15 November 2010 promulgating the regulation on the

establishment, management and implementation of the National Trade Promotion Program. This is a state-funded program of which the objectives are, among others, to enhance trade promotion activities and develop export market. Section II of Decision 72 lists the activities for which trade promotion funds will be available and the support level for these activities.

The process of providing funds for trade promotion is overseen by the Evaluation Council, which is led by the Ministry of Trade (now known as Ministry of Industry and Trade (“MOIT”)), but also includes the Ministry of Finance and other relevant ministries and agencies.

An eligible organization, usually a trade association (individual companies can only apply if there is no trade association in their industry) submits a proposal to MOIT. The proposal is normally screened by the Program Administration and then presented to the Council. Normally, proposals for the following calendar year must be submitted in the previous year. Based on the Council’s assessment, the Program Administration reports to the Minister of Industry and Trade for approval of such proposal.

National trade promotion program for 2015 is provided under Decision 11855/QD-BCT dated 26 December 2014.

2. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

ANSWER:

Please refer to Exhibit 13 for:

- **Decision 11855/QD-BCT dated 26 December 2014.**
- **Decision 72/2010/QD-TTg dated 15 November 2010**

3. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

ANSWER:

Ministry of Industry and Trade maintains proposals submitted by various trade associations and decisions to approve the trade promotion program.

PUBLIC VERSION

4. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-1** (or in a Microsoft Excel compatible format):
- (a) the business' address (including the city, province and region);
 - (b) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
 - (c) if the business is not an SIE, whether it is otherwise associated with the GOV; and
 - (d) whether the entity produces galvanised steel

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

ANSWER:

Please refer to Decision 11855/QD-BCT dated 26 December 2014 in Exhibit 13 for the national trade program 2015 which provide information of the recipients of benefits under this program. The GOV is unable to provide such information specific to each company as the program covers many sectors. In an attempt to cooperate and response to the Commission's question, the GOV answers this question with regards to producers of galvanized steel products who exported to Australia during the POI. As such, no exporters of galvanized steel products to Australia received benefit under this program during the POI.

5. For each entity identified in your response to Question 4 above that is an SIE, answer the following questions regarding their performance and profits.
- (a) How are the operations of the enterprise funded?
 - (b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOV holds an interest.
 - (c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.
 - (d) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:
 - output and quality performance;

PUBLIC VERSION

- performance of employees/directors/managers; and
- financial performance.

If any other GOV entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

- (e) Provide details of any official reporting mechanisms that the enterprise must comply with.
- (f) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.
- (g) How are profits of the enterprise distributed and to whom?
- (h) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.
- (i) Over the past 10 years, has the GOV provided any payment or made any injection of funds to the enterprise, including but not limited to:
- grants;
 - prizes;
 - awards;
 - stimulus payments and rescue type payments;
 - injected capital funds;
 - purchasing of shares.
- (j) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

PUBLIC VERSION

6. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
- (g) Provide a list of functions the enterprise performs.
 - (h) Provide details of any government policies the enterprise administers or carries out on behalf of the GOV.
 - (i) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
 - (j) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.
 - (k) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
 - (l) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

7. Describe the application process (including any application fees charged by the government agency or authority) for the program.

ANSWER:

Please refer to the response to Question 1.

8. After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

ANSWER:

Please refer to the response to Question 1.

9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.

PUBLIC VERSION

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (e) Provide any contractual agreements between the GOV and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

ANSWER:

2015 National Trade Promotion program is limited to the sectors as identified in Decision 11855/QD-BCT dated 26 December 2014.

- 10. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

ANSWER:

Please refer to Decision 11855/QD-BCT dated 26 December 2014 at Exhibit 13.

- 11. For all programs listed in Table 1 (i.e. programs 1 to 19), describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

ANSWER:

The program is still in effect. No changes are anticipated.

PROGRAM 12: SUPPORT FOR MECHANICAL PRODUCTS

PUBLIC VERSION

1. Provide full details of the each of the above programs including the following:
 - (a) policy objective and/or purpose of the program.
 - (b) legislation under which the subsidy is granted.
 - (c) nature or form of the subsidy.
 - (d) when the program was established.
 - (e) duration of the program.
 - (f) how the program is administered and explain how it operates.
 - (g) to whom and how is the program provided.
 - (h) the GOV department or agency administering the program.
 - (i) the eligibility criteria in order to receive benefits under the program.

ANSWER:

Support for mechanical products was triggered in 2000 under Decision 67/2000/QD-BCN dated 20 November 2000 and terminated on 4 January 2007 as provided under Decision 43/2006/QD-BCN. As such, this program was outside the POI.

The support is limited to the List of sectors of producing and manufacturing mechanical products of Decision 67/2000/ND-CP. Galvanized steel products do not fall into this List.

The support includes preferential investment credit disbursed from 1 June 2000 by the Assistance Development Fund with the preferential interest rate of 3.5% (half of the normal state investment credit) for 12 years, a 2 year grace-period for interest rate payment and principal payment since the 5th year of lending, as provided under Resolution 11/2000/NQ-CP dated 31 July 2000.

The Development Assistance Fund provided investment credits to eligible entities in accordance with the above regulations

2. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

ANSWER:

Please refer to Exhibit 14 for:

- **Decision 67/2000/QD-BCN dated 20 November 2000**

- **Resolution 11/2000/NQ-CP dated 31 July 2000.**

3. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

ANSWER:

The Assistance Development Fund maintained loan records

4. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-1** (or in a Microsoft Excel compatible format):

- (a) the business' address (including the city, province and region);
- (b) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
- (c) if the business is not an SIE, whether it is otherwise associated with the GOV; and
- (d) whether the entity produces galvanised steel

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

ANSWER:

The GOV notes that the program was terminated in 2006. No companies received or accrued benefits under this program during the POI. In addition, we note that benefits were limited to certain producer of mechanical products which do not include galvanized steel products. As a matter of facts, no exporters of galvanized steel products to Australia received benefit under this program during the POI.

5. For each entity identified in your response to Question 4 above that is an SIE, answer the following questions regarding their performance and profits.

- (a) How are the operations of the enterprise funded?
- (b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOV holds an interest.
- (c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.

PUBLIC VERSION

(d) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:

- output and quality performance;
- performance of employees/directors/managers; and
- financial performance.

If any other GOV entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

(e) Provide details of any official reporting mechanisms that the enterprise must comply with.

(f) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.

(g) How are profits of the enterprise distributed and to whom?

(h) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.

(i) Over the past 10 years, has the GOV provided any payment or made any injection of funds to the enterprise, including but not limited to:

- grants;
- prizes;
- awards;
- stimulus payments and rescue type payments;
- injected capital funds;
- purchasing of shares.

(j) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

6. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
 - (a) Provide a list of functions the enterprise performs.
 - (b) Provide details of any government policies the enterprise administers or carries out on behalf of the GOV.
 - (c) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
 - (d) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.
 - (e) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
 - (f) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

7. Describe the application process (including any application fees charged by the government agency or authority) for the program.

ANSWER:

Eligible enterprises wishing to receive the preferential investment credit were required to follow the Assistance Development Fund's regulation and procedure of providing investment loan

8. After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

ANSWER:

The Assistance Development Fund conducted appraisal of loan or credit proposals submitted by eligible enterprises. This serves as the basis for decision to approve or disapprove the provisions of the credit.

9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.
- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
 - (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
 - (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
 - (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
 - (e) Provide any contractual agreements between the GOV and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

ANSWER:

The program was limited to certain sectors of producing mechanical products as identified in Decision 67/2000/QD-BCN. However, the program was terminated under Decision 43/2006/QD-BCN which is provided at Exhibit 6.

10. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

ANSWER:

The program was terminated in 2007. Therefore, this question is not applicable

11. For all programs listed in Table 1 (i.e. programs 1 to 19), describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or

claim benefits under the program. When is the last date that a company could receive benefits under the program?

ANSWER:

The program was terminated in 2007.

PROGRAM 13: SUPPORT FOR SHIPBUILDING INDUSTRY

1. Provide full details of the each of the above programs including the following:
 - (a) policy objective and/or purpose of the program.
 - (b) legislation under which the subsidy is granted.
 - (c) nature or form of the subsidy.
 - (d) when the program was established.
 - (e) duration of the program.
 - (f) how the program is administered and explain how it operates.
 - (g) to whom and how is the program provided.
 - (h) the GOV department or agency administering the program.
 - (i) the eligibility criteria in order to receive benefits under the program.

ANSWER:

Support for shipbuilding industry is provided under Decision 117/2000/QD-TTg dated 10 October 2000.

The support was limited to shipbuilding projects as identified in Article 1 of Decision 117/2000/QD-TTg. Galvanized steel products do not fall into shipbuilding sectors of this Article.

Article 2.1 of Decision 117 specifies the support for shipbuilders, which include the followings:

- **Export duty exemption for shipbuilding products and import duty exemption for machinery, equipment and transportation means which cannot be domestically produced**
- **Exemption and reduction in terms of land rent**

PUBLIC VERSION

- **Exemption for 2 years and 50% reduction for the next 2 years in terms of corporate income tax**
- **In addition to all of the above benefits, state-owned shipbuilders were supported with capital to infrastructure work from the state and Assistance Development Fund.**

Article 2.2 of Decision 117 also specifies the support for enterprises who purchase newly built ships.

Provincial authority including the licensing authority or tax and custom authority are in charge of granting incentives to eligible enterprises in accordance with the above regulations. The Development Assistance Fund provided investment credits to eligible entities in accordance with the above regulations

2. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

ANSWER:

Please refer to Exhibit 15 for Decision 117/2000/QD-TTg dated 10 October 2000.

3. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

ANSWER:

The Assistance Development Fund maintained loan records. In addition, income tax returns, import declaration and land rent documents are among records maintained by the provincial authority.

4. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-1** (or in a Microsoft Excel compatible format):
 - (a) the business' address (including the city, province and region);
 - (b) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
 - (c) if the business is not an SIE, whether it is otherwise associated with the GOV; and
 - (d) whether the entity produces galvanised steel

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

ANSWER:

The GOV does not have any available statistics on the companies that received benefits under this program and thus is unable to answer this question to all of them. In an attempt to cooperate and response to the Commission's question, the GOV answers this question with regards to exporters of galvanized steel products to Australia during the POI.

As indicated in the response to Question 1, this program is limited to ship builders and thus, producing galvanize steels does not fall into the scope of this program. As a matter of fact, no exporters of galvanized steel received benefits under this program during the POI.

5. For each entity identified in your response to Question 4 above that is an SIE, answer the following questions regarding their performance and profits.
 - (a) How are the operations of the enterprise funded?
 - (b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOV holds an interest.
 - (c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.
 - (d) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:
 - output and quality performance;
 - performance of employees/directors/managers; and
 - financial performance.

If any other GOV entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

- (e) Provide details of any official reporting mechanisms that the enterprise must comply with.
- (f) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.

PUBLIC VERSION

- (g) How are profits of the enterprise distributed and to whom?
- (h) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.
- (i) Over the past 10 years, has the GOV provided any payment or made any injection of funds to the enterprise, including but not limited to:
 - grants;
 - prizes;
 - awards;
 - stimulus payments and rescue type payments;
 - injected capital funds;
 - purchasing of shares.
- (j) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

- 6. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
 - (m) Provide a list of functions the enterprise performs.
 - (n) Provide details of any government policies the enterprise administers or carries out on behalf of the GOV.
 - (o) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
 - (p) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.

PUBLIC VERSION

- (q) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
- (r) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

ANSWER:

This question is not applicable as no exporters of galvanized steel products to Australia received benefits under this program during the POI.

- 7. Describe the application process (including any application fees charged by the government agency or authority) for the program.

ANSWER:

Eligible enterprises wishing to receive the preferential investment credit were required to follow the Assistance Development Fund's regulation and procedure of providing investment loan. The Assistance Development Fund conducted appraisal of loan or credit proposals submitted by eligible enterprises. This serves as the basis for decision to approve or disapprove the provisions of the credit.

With regard to import/export duty, income tax or land rent payment, there is no application and approval process for these incentives. Eligible exporters relied on the relevant regulations to claim for each incentive at the time of importation, of filing tax returns to the provincial authority or payment of land rental. They took responsibility for the accuracy and completeness of their claims which would be subject to the authority's examination.

- 8. After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

ANSWER:

Please refer to the response to Question 7.

- 9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.
 - (k) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

PUBLIC VERSION

- (l) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
- (m) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- (n) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (o) Provide any contractual agreements between the GOV and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

ANSWER:

The program was limited to shipbuilding enterprises only.

- 10. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

ANSWER:

This program was provided under Decision 117/2000/QD-TTg which was based on Decree 51/1999/ND-CP detailing the implementation of the Law on Domestic Investment Promotion. Decree 51 was annulled on 25 October 2006, which in fact leads to the termination of this program also in 2006. As such, no benefits under this program were approved during 1 January 2011 and 30 June 2016.

- 11. For all programs listed in Table 1 (i.e. programs 1 to 19), describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

ANSWER:

The program was in fact terminated in 2006.

PROGRAM 14: ASSISTANCE FOR COMMERCIAL DEVELOPMENT IN MOUNTAINOUS, ISLAND AND ETHNIC MINORITY AREAS

1. Provide full details of the each of the above programs including the following:
 - (a) policy objective and/or purpose of the program.
 - (b) legislation under which the subsidy is granted.
 - (c) nature or form of the subsidy.
 - (d) when the program was established.
 - (e) duration of the program.
 - (f) how the program is administered and explain how it operates.
 - (g) to whom and how is the program provided.
 - (h) the GOV department or agency administering the program.
 - (i) the eligibility criteria in order to receive benefits under the program.

ANSWER:

Assistance for commercial development in mountainous, island and ethnic minority areas was provided under Decree 20/1998/ND-CP dated 31 March 1998 which was amended and supplemented by Decree 02/2002/ND-CP dated 3 January 2002. The program was terminated in fact in 2012. As such, it is outside the POI.

Pursuant to Article 1 of Decree 20/1998/ND-CP, the program is limited to traders conducting commercial activities in mountain areas, islands and ethnic minority regions. Thus, this program is not available to any producers or manufacturers of any sectors.

Assistance under this program includes the following:

- **Land rent exemption and reduction as provided under Article 8 of Decree 20 and corporate income tax incentives under Article 9 of Decree 20 and Article 1.1 of Decree 02. These preferences are further elaborated by Circular 112/1998/TT-BTC dated 3 January 2002 and Joint Circular 07/2002/TTLT/BTM-UBDTMN-BTC-BKHDT dated 12 August 2002 which was annulled by Decision 517/QD-UBDT and thus led to the termination of these incentives on 17 December 2010.**

PUBLIC VERSION

- **Reduction in interest rate under Article 10 of Decree 20 and Article 1.2 of Decree 02. This incentive is further elaborated under Circular 04/2002/TT-NHNN dated 3 July 2002 and Decision 391/2003/QD-NHNN dated 28 April 2003. These regulations ceased the effect on 20 October 2012 as replaced by Circular 25/2012/TT-NHNN, which led to the termination of this incentive.**

Provincial authorities including the licensing authority or tax authority are in charge of granting incentives to eligible enterprises in accordance with the above regulations. The Development Assistance Fund provided investment credits to eligible entities in accordance with the above regulations

2. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

ANSWER:

Please refer to Exhibit 16 for the followings:

- **Decree 20/1998/ND-CP dated 31 March 1998**
 - **Decree 02/2002/ND-CP dated 3 January 2002**
 - **Circular 112/1998/TT- BTC dated 4 August 1998**
 - **Joint Circular 07/2002/TTLT/BTM-UBDTMN-BTC-BKHDT dated 12 August 2002**
 - **Decision 517/QD-UBDT dated 17 December 2010**
 - **Circular 04/2002/TT-NHNN dated 3 July 2002**
 - **Decision 391/2003/QD-NHNN dated 28 April 2003**
 - **Circular 25/2012/TT-NHNN dated 6 September 2012**
3. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

ANSWER:

The Assistance Development Fund maintained loan records. In addition, income tax returns, import declaration and land rent documents are among records maintained by the provincial authority.

PUBLIC VERSION

4. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-1** (or in a Microsoft Excel compatible format):

- (a) the business' address (including the city, province and region);
- (b) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
- (c) if the business is not an SIE, whether it is otherwise associated with the GOV; and
- (d) whether the entity produces galvanised steel

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

ANSWER:

The GOV is unable to answer this question for all companies due to a large number of traders across various mountainous, island or ethnic minority all over Vietnam. In an attempt to cooperate with the Commission, the GOV provides the answer with respect to producers of galvanized steel products which exported to Australia during the POI. No exporters of galvanized steel products to Australia received benefit under this program during the POI.

5. For each entity identified in your response to Question 4 above that is an SIE, answer the following questions regarding their performance and profits.

- (a) How are the operations of the enterprise funded?
- (b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOV holds an interest.
- (c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.
- (d) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:
 - output and quality performance;
 - performance of employees/directors/managers; and
 - financial performance.

PUBLIC VERSION

If any other GOV entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

- (e) Provide details of any official reporting mechanisms that the enterprise must comply with.
- (f) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.
- (g) How are profits of the enterprise distributed and to whom?
- (h) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.
- (i) Over the past 10 years, has the GOV provided any payment or made any injection of funds to the enterprise, including but not limited to:
 - grants;
 - prizes;
 - awards;
 - stimulus payments and rescue type payments;
 - injected capital funds;
 - purchasing of shares.
- (j) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

ANSWER:

This question is not applicable.

- 6. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
 - (s) Provide a list of functions the enterprise performs.
 - (t) Provide details of any government policies the enterprise administers or carries out on behalf of the GOV.

PUBLIC VERSION

- (u) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
- (v) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.
- (w) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
- (x) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

ANSWER:

This question is not applicable.

7. Describe the application process (including any application fees charged by the government agency or authority) for the program.

ANSWER:

Eligible companies wishing to receive the preferential investment credit were required to follow the Assistance Development Fund's regulation and procedure of providing investment loan. The Assistance Development Fund conducted appraisal of loan or credit proposals submitted by eligible traders. This serves as the basis for decision to approve or disapprove the provisions of the credit.

With regard to import/export duty, income tax or land rent payment, there is no application and approval process for these incentives. Eligible companies relied on the relevant regulations to claim for each incentive at the time of importation, of filing tax returns to the provincial authority or payment of land rental. They took responsibility for the accuracy and completeness of their claims which would be subject to the authority's examination.

8. After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

ANSWER:

Please refer to the response to Question 7.

PUBLIC VERSION

9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.
- (p) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
 - (q) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
 - (r) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
 - (s) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
 - (t) Provide any contractual agreements between the GOV and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

ANSWER:

The program was limited to traders which operate in mountainous, island or ethnic minority areas.

10. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

ANSWER:

The GOV does not have statistics of the use of this program by each industry and each region to provide at the request of the Commission

11. For all programs listed in Table 1 (i.e. programs 1 to 19), describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

ANSWER:

The program was in fact terminated in 2012.

PROGRAM 15: ASSISTANCE TO ENTERPRISES FACING DIFFICULTIES DUE TO OBJECTIVE REASONS

1. Provide full details of the each of the above programs including the following:
 - (a) policy objective and/or purpose of the program.
 - (b) legislation under which the subsidy is granted.
 - (c) nature or form of the subsidy.
 - (d) when the program was established.
 - (e) duration of the program.
 - (f) how the program is administered and explain how it operates.
 - (g) to whom and how is the program provided.
 - (h) the GOV department or agency administering the program.
 - (i) the eligibility criteria in order to receive benefits under the program.

ANSWER:

Assistance to enterprises facing difficulties due to objective reasons is provided under Decision 172/2001/QD-TTg dated 5 November 2001 and implemented by Circular 32/2002/TT-BTC dated 10 April 2002. This program was terminated on 1 July 2007 when the Law on Tax Administration No 78/2006/QH11 came into effect which annuled all the assistance relating to tax under Decision 172 and Circular 32. In addition, Circular 32/2002/TT-BTC was also annuled by Decision 53/2008/QD-BTC dated 14 July 2008. As such, this program is outside the POI.

The program was aimed at assisting enterprises who faced difficulties due to objective reasons and applied to all type of business and geographical areas. Assistance includes the followings:

- **Deferral or rescheduling of the payable tax for duration between 6 and 12 months as provided under Section B.I of Circular 32/2002/TT-BTC.**
- **Freezing of payable tax and other payables to the State budget as provided under Section B.II of Circular 32/2002/TT-BTC**

PUBLIC VERSION

- **Investment capital support for state enterprises as provided under Section B.III of Circular 32/2002/TT-BTC.**
- **Forgiveness of debts relating to tax and other payable to state budget for state enterprises as provided under Section B.IV of Circular 32/20002/TT-BTC**

Ministry of Finance issued circulars to instruct the provincial tax and custom authority to implement this program. The Ministry of Finance directly administers the capital support for state enterprises.

2. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

ANSWER:

Please refer to Exhibit 17 for:

- **Decision 172/2001/QD-TTg dated 5 November 2001**
 - **Circular 32/2002/TT-BTC dated 10 April 2002**
 - **Law on Tax Administration No 78/2006/QH11 dated 29 November 2006**
 - **Decision 53/2008/QD-BTC dated 14 July 2008**
3. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

ANSWER:

Application documents submitted by eligible enterprises and corresponding decisions of the competent authority relating to the deferral, freezing, forgiveness and capital support are among records kept by the government.

4. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-1** (or in a Microsoft Excel compatible format):
 - (a) the business' address (including the city, province and region);
 - (b) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
 - (c) if the business is not an SIE, whether it is otherwise associated with the GOV;and

(d) whether the entity produces galvanised steel

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

ANSWER:

As noted in the response to Question 1, this program was in fact terminated in 2008. As such, no benefits under this program were granted during the POI.

5. For each entity identified in your response to Question 4 above that is an SIE, answer the following questions regarding their performance and profits.

(a) How are the operations of the enterprise funded?

(b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOV holds an interest.

(c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.

(d) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:

- output and quality performance;
- performance of employees/directors/managers; and
- financial performance.

If any other GOV entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

(e) Provide details of any official reporting mechanisms that the enterprise must comply with.

(f) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.

(g) How are profits of the enterprise distributed and to whom?

(h) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.

PUBLIC VERSION

- (i) Over the past 10 years, has the GOV provided any payment or made any injection of funds to the enterprise, including but not limited to:
- grants;
 - prizes;
 - awards;
 - stimulus payments and rescue type payments;
 - injected capital funds;
 - purchasing of shares.
- (j) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

ANSWER:

This question is not applicable.

6. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
- (a) Provide a list of functions the enterprise performs.
 - (b) Provide details of any government policies the enterprise administers or carries out on behalf of the GOV.
 - (c) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
 - (d) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.
 - (e) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
 - (f) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

ANSWER:

This question is not applicable.

7. Describe the application process (including any application fees charged by the government agency or authority) for the program.

ANSWER:

With respect to the deferral of tax and other payables to the State budget, according to Section B.I2, eligible enterprises were required to submit to the provincial tax or custom authority with a written request which indicates and demonstrates that late payment is due to difficulties caused by objective reasons (such as changes in the state tax policy or relocation of the business places or natural calamities). The request must be accompanied with tax declarations or notice of the tax authority or custom authority relating to overdue tax payable. The provincial tax or custom authority decided in the case where the amount of deferred tax was less than 500 million Vietnam dong. Other cases were decided by the General Tax Authority or Custom Authority.

With respect to tax freezing, pursuant to Section B.II.2 of Circular 32, application file must be submitted to the provincial tax authority to explain the loss and the amount of tax and other payable subject to proposed freezing which should be supported by financial statements or report on the business results. The provincial tax authority would report to the General Tax Authority for approval.

With respect to capital support, Section B.III.2 of Circular 32 requires the application to calculate the amount of overdue tax and other payables as of 31 December 1999 which was used by a state enterprise to add to its capital and report on the use of such capital. This application must be subject to the approval of the Ministry of Finance.

With respect to tax forgiveness, Section B.IV.2 of Circular 32 required eligible state enterprises to submit an application file to apply and explain for the forgiveness and supporting documents. This application must be subject to the approval of the Ministry of Finance.

8. After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

ANSWER:

Please refer to the response to Question 7.

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9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.
- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
 - (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
 - (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
 - (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
 - (e) Provide any contractual agreements between the GOV and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

ANSWER:

The program applied to all sector of business and geographical areas. However, the tax forgiveness and capital support were available for state enterprises only.

10. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

ANSWER:

The program was terminated in 2008. As such, this question is not applicable.

11. For all programs listed in Table 1 (i.e. programs 1 to 19), describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

ANSWER:

The program was in fact terminated in 2008

PROGRAM 16: INCENTIVES FOR INVESTMENT PROJECTS IN SCIENCE AND TECHNOLOGY

1. Provide full details of the each of the above programs including the following:
 - (a) policy objective and/or purpose of the program.
 - (b) legislation under which the subsidy is granted.
 - (c) nature or form of the subsidy.
 - (d) when the program was established.
 - (e) duration of the program.
 - (f) how the program is administered and explain how it operates.
 - (g) to whom and how is the program provided.
 - (h) the GOV department or agency administering the program.
 - (i) the eligibility criteria in order to receive benefits under the program.

ANSWER:

Incentives for investment in science and technology are provided under Decree 119/1999/ND-CP dated 18 September 1999 in order to encourage enterprises to invest in scientific and technological activities.

This program provides the following incentives:

- **Corporate income tax preferences for enterprises as provided under Article 3 and 4 of Decree 119/1999/ND-CP. These preferences were different with regards to domestic enterprises and foreign invested enterprises. However, since the effect of the Law on Corporate Income Tax 2003 on 1 January 2004, corporate income tax preferences are not different in terms of domestic and foreign invested enterprises, which led to the termination of these incentives.**
- **Preferences relating to land rent or land use fee as provided under Article 5 of Decree 119. These preferences were available for domestic enterprises. Since the effect of the Law on Land 2003, preferences relating to land rent are not different with regards to domestic and foreign invested enterprises.**

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- **Import duty exemption under Article 6 of Decree 119. However, this benefit was terminated on 27 October 2006 by Decree 149/2005/ND-CP.**
- **Investment credit as provided under Article 7 of Decree 119.**
- **Financial support for project of scientific and technology research and application as provided under Article 8 of Decree 119. This support was terminated on 15 March 2014 as provided under Article 49 of Decree 08/2014/ND-CP.**

Ministry of Finance and Ministry of Science and Technology issued joint-circulars to instruct the provincial authority in implementing this program.

2. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

ANSWER:

Please refer to Exhibit 18 for:

- **Decision 119/1999/ND-CP dated 18 September 1999**
 - **The Law on Corporate Income Tax 2003**
 - **The Law on Land 2003**
 - **Decree 149/2005/ND-CP dated 8 December 2005**
 - **Decree 08/2014/ND-CP dated 27 January 2014**
3. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

ANSWER:

Income tax returns, land rent documents, import declaration and land rent documents are among records maintained by the provincial authority.

4. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-1** (or in a Microsoft Excel compatible format):
 - (e) the business' address (including the city, province and region);
 - (f) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);

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(g) if the business is not an SIE, whether it is otherwise associated with the GOV; and

(h) whether the entity produces galvanized steel

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

ANSWER:

The GOV does not have any available statistics on the companies that received benefits under this program and thus is unable to answer this question to all of them. In an attempt to cooperate and respond to the Commission's question, the GOV answers this question with regards to exporters of galvanized steel products to Australia during the POI.

As the GOV is aware, no exporters of galvanized steel products to Australia received benefit under this program during the POI.

5. For each entity identified in your response to Question 4 above that is an SIE, answer the following questions regarding their performance and profits.

(a) How are the operations of the enterprise funded?

(b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOV holds an interest.

(c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.

(d) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:

- output and quality performance;
- performance of employees/directors/managers; and
- financial performance.

If any other GOV entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

(e) Provide details of any official reporting mechanisms that the enterprise must comply with.

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- (f) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.
- (g) How are profits of the enterprise distributed and to whom?
- (h) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.
- (i) Over the past 10 years, has the GOV provided any payment or made any injection of funds to the enterprise, including but not limited to:
 - grants;
 - prizes;
 - awards;
 - stimulus payments and rescue type payments;
 - injected capital funds;
 - purchasing of shares.
- (j) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

ANSWER:

This question is not applicable.

- 6. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
 - (g) Provide a list of functions the enterprise performs.
 - (h) Provide details of any government policies the enterprise administers or carries out on behalf of the GOV.
 - (i) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
 - (j) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is

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exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.

- (k) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
- (l) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

ANSWER:

This question is not applicable.

- 7. Describe the application process (including any application fees charged by the government agency or authority) for the program.

ANSWER:

Please refer to Circular 2341/2000/TTLT-BKHCHN-BTC dated 28 November 2000 for detailed discussion on the application and approval process for each incentive.

- 8. After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

ANSWER:

Please refer to the response to Question 7.

- 9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.
 - (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
 - (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
 - (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
 - (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

- (e) Provide any contractual agreements between the GOV and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

ANSWER:

The program is limited to enterprises which invested in scientific and technological activities.

10. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

ANSWER:

The GOV does not have statistics of the use of this program by each industry and each region to provide at the request of the Commission. However, the GOV notes that many incentives under this program including income tax, import duty and land were terminated before 2011.

11. For all programs listed in Table 1 (i.e. programs 1 to 19), describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

ANSWER:

Please refer to the response to Question 1 for the termination time of each incentive.

PROGRAM 17: PREFERENTIAL IMPORT TARIFFS

1. Provide full details of the each of the above programs including the following:
- (j) policy objective and/or purpose of the program.
 - (k) legislation under which the subsidy is granted.
 - (l) nature or form of the subsidy.
 - (m) when the program was established.
 - (n) duration of the program.
 - (o) how the program is administered and explain how it operates.

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- (p) to whom and how is the program provided.
- (q) the GOV department or agency administering the program.
- (r) the eligibility criteria in order to receive benefits under the program.

ANSWER:

Import duties benefits include duty exemption and duty reduction. During the period of investigation (“POI”), duty exemption is provided under Article 16 of the Law on Import Duty and Export Duty, No. 45/2005/QH11 of June, 14th 2005 and further elaborated by Article 12 of Decree 87/2010/ND-CP, detailing the implementation of a number of articles of the Law on Import Duty and Export Duty. Meanwhile, import duty reduction is provided under Article 18 of the Law on Import Duty and Export Duty, No. 45/2005/QH11 of June, 14th 2005 and further elaborated by Article 14 of Decree 87/2010/ND-CP, detailing the implementation of a number of articles of the Law on Import Duty and Export Duty.

The Law on Import Duty and Export Duty was valid between 1 January 2006 and 31 August 2016. Decree 87/2010/ND-CP was valid between 1 October 2010 and 31 August 2016.

With respect to duty exemption, Article 12 of Decree 87 identifies various cases where the importer is entitled to import duty exemption as well as eligibility criteria for each case of exemption. In particular, Article 12.6 of Decree 87 provides duty exemption for imported goods (e.g. equipment or machinery) to create fixed assets for investment projects into sectors of duty preferences as listed in Appendix 1 to Decree 87 or for investment projects implemented in regions of duty preferences. Pursuant to Article 12.18, regions of duty preferences are identified in the Appendix to Decree 218/2013/ND-CP dated 26 December 2013. Since 27 December 2015, Appendix 1 to Decree 87 and the Appendix to Decree 218 have been replaced by Appendix 1 and Appendix 2 to Decree 118/2015/ND-CP.

Therefore, as long as the importer's investment project falls into Appendix 1 to Decree 87 or the Appendix to Decree 218, that importer is entitled to receive the duty exemption for the imported goods to create fixed assets. The duty exemption is administered by Circular 38/2015/TT-BTC effective on 1 April 2015. Accordingly, imported goods of the eligible projects must also satisfy requirements under Article 103.7 of Circular 38. For example, pursuant to Article 103.7 (a), imported equipment and machinery must be in accordance with the investment sector, objective or scale and other conditions of fixed assets as provided under Circular 45/2013/TT-BTC.

Article 104 of Circular 38/2015/TT-BTC provides necessary procedures for the import duty exemption. Accordingly, eligible importers must register with the provincial Custom with a list of imported goods subject to the duty exemption prior to their importation. Importers must take responsibility for their registration while the relevant custom authority is obliged to receive and examine the registration, as provided under Article 104.8 and Article 104.9 of Circular 38.

With respect to duty reduction, pursuant to Article 14 of Decree 87, imported goods which are damaged or lost in the course of customs supervision, which is certified by competent assessment agencies or organizations, may be considered for duty reduction in proportion to their actual loss or damage. Duty reduction as such is not limited to and not conditional on any enterprise of any sector or any region.

Ministry of Finance is in charge of providing guidelines for the implementation of the law and government decrees. The provincial custom authority of the place where the importer implements the project or where the importer is located or which is closest to the importer's location administers the program.

2. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

ANSWER:

Exhibit 19 provides:

- The Law on Import Duty and Export Duty No. 45/2005/QH11 of June, 14th 2005
- Decree 87/2010/ND-CP, detailing the implementation of a number of articles of the Law on Import Duty and Export Duty.

3. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

ANSWER:

The provincial custom authority maintains import declaration

4. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-1** (or in a Microsoft Excel compatible format):
 - (a) the business' address (including the city, province and region);
 - (b) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
 - (c) if the business is not an SIE, whether it is otherwise associated with the GOV; and
 - (d) whether the entity produces galvanised steel

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

ANSWER:

Vietnam has millions of companies of many sectors and the GOV is unable to answer this question to all of them. In an attempt to cooperate and response to the Commission's question, the GOV answers this question with regards to exporters of galvanized steel products to Australia during the POI.

As the GOV is aware, during the POI [REDACTED] (“[REDACTED]”) received import duty exemption for its imported goods to create fixed assets for its investment project of building a [REDACTED]. The factory is located in [REDACTED] which is a region of import duty preferences as provided under Article 12 of Decree 87/2010/ND-CP and Appendix 2 of Decree 118/2015/ND-CP. However, this factor did not start operating as of 30 June 2016.

Please refer to Spreadsheet B-1 of Exhibit 1 for requested information on [REDACTED]
[REDACTED]

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5. For each entity identified in your response to Question 4 above that is an SIE, answer the following questions regarding their performance and profits.

(k) How are the operations of the enterprise funded?

(l) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOV holds an interest.

(m) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.

(n) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:

- output and quality performance;
- performance of employees/directors/managers; and
- financial performance.

If any other GOV entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

(o) Provide details of any official reporting mechanisms that the enterprise must comply with.

(p) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.

(q) How are profits of the enterprise distributed and to whom?

(r) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.

(s) Over the past 10 years, has the GOV provided any payment or made any injection of funds to the enterprise, including but not limited to:

- grants;
- prizes;
- awards;
- stimulus payments and rescue type payments;

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- injected capital funds;
 - purchasing of shares.
- (t) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

ANSWER:

This question is not applicable as [REDACTED] is not a SIE.

6. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
- (g) Provide a list of functions the enterprise performs.
 - (h) Provide details of any government policies the enterprise administers or carries out on behalf of the GOV.
 - (i) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
 - (j) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.
 - (k) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
 - (l) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

ANSWER:

This question is not applicable.

7. Describe the application process (including any application fees charged by the government agency or authority) for the program.

ANSWER:

There is no application process and the importer is not required to file any application for receiving import duty exemption. For purpose of management, Article 104 of Circular 38/2015/TT-BTC effective from 1 April 2015 requires the importer to submit a registration which identifies the imported goods to create its fixed assets to the relevant provincial custom authority.

8. After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

ANSWER:

There is no separate approval process. Rather at the importation, the provincial custom authority bases on the submitted registration to determine the imported goods subject to duty exemption.

9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.

Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

- (f) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

- (g) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

- (h) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

- (i) Provide any contractual agreements between the GOV and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

ANSWER:

The eligibility for the benefits of the program is provided in Appendix 1 to Decree 87/2010/ND-CP and the Appendix to Decree 218/2013/ND-CP. Prior to 27 December 2015, Appendix 1 to Decree 87 identifies sector of investment projects subject to the exemption while the Appendix to Decree 218 identifies regions subject to the exemption. Since 27 December 2015, Appendix 1 to Decree 87 and the Appendix to Decree 118 have been replaced by Appendix 1 and Appendix 2 to Decree 118/2015/ND-CP.

Accordingly, eligibility for the benefits and actual use of import duty exemption is not contingent on export or the use of domestic over imported goods

10. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

ANSWER:

As long as the importer's investment project falls into either Appendix 1 to Decree 87/2010/ND-CP (or Appendix 1 to Decree 118/2015/ND-CP since 27 December 2015) or the Appendix to Decree 218/2013/ND-CP (or Appendix 2 to Decree 118/2015/ND-CP since 27 December 2015) and fulfils procedures under Article 104 of Circular 38/2015/TT-BTC, such importer receives the duty exemption.

The Government of Vietnam does not have any statistics of enterprises or regions that received the import duty exemption under this program, and thus cannot provide to the Commission. However, it is important to note that as the eligibility is either Appendix 1 to Decree 87 (which identifies sectors of duty exemption) or the Appendix to Decree 218 (which identifies regions of duty exemption), it would be the case where all enterprises of a sector regardless of their location are eligible and all enterprise in a certain region regardless of their sectors are eligible.

In an attempt to cooperate and response to the Commission's question, the GOV answers this question with regards to exporters of galvanized steel products to Australia during the POI as noted in the response to Question 4.

11. For all programs listed in Table 1 (i.e. programs 1 to 19), describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

ANSWER:

The Law on Import Duty and Export Duty 2005 and Decree 87/2010/ND-CP ceased their effects on 1 September 2016 as they were replaced by the Law on Import Duty and Export Duty 2016.

PROGRAM 18: INCENTIVES ON CORPORATE INCOME TAX FOR ENTERPRISES OPERATING IN REGIONS OR SECTORS ENTITLED TO INCENTIVES

1. Provide full details of the each of the above programs including the following:
 - (a) policy objective and/or purpose of the program.
 - (b) legislation under which the subsidy is granted.
 - (c) nature or form of the subsidy.
 - (d) when the program was established.
 - (e) duration of the program.
 - (f) how the program is administered and explain how it operates.
 - (g) to whom and how is the program provided.
 - (h) the GOV department or agency administering the program.
 - (i) the eligibility criteria in order to receive benefits under the program.

ANSWER:

During the POI, corporate income tax and tax benefits are governed by the Law on Corporate Income Tax 2008 and the Law Amending and Supplementing a number of articles of the Law on Corporate Income Tax 2008 (“the Amending Law 2013), the Law on Amendments to Tax Law No 71/2014/QH13 (the Amending Law 2014), Decree 218/2013/ND-CP effective from 15 February 2014, Decree 91/2014/ND-CP and Decree 12/2015/ND-CP effective from 1 January 2015. According to Article 1.6 of the Amending Law 2013, the standard tax rate applicable during the POI is as follows:

- **22% applicable from 1 July 2015 to 31 December, 2015**
- **20% applicable from 1 January 2016 to 30 June, 2016.**

Corporate income tax benefits including preferential income tax rate, tax exemption and tax reduction are governed by Article 1.7 of the Amending Law 2013 and Article 1.7 of the Amending Law 2014. Accordingly, there are 03 preferential tax rates such as 20%, 15% and 10%. Since 1 January 2016, the preferential tax rate of 20% is adjusted to 17% as provided under Article 1.7 of the Amending Law 2013.

Article 16 provides cases where tax payers are entitled to tax exemption and reduction, as follows:

“1. Tax exemption for 4 years, reduction of 50% of tax payable for the next 9 years for:

a) Income of enterprise from performing new investment projects is specified in Clause 1, Article 15 of this Decree;

b) Income of enterprise from performing new investment projects in the field of socialization shall comply in difficult or extremely difficult socio-economic conditions specified in the Appendix to this Decree.

2. Tax exemption for 4 years, reduction of 50% of tax payable for the next 5 years for enterprise’s income from performing new investment projects in the field of socialization in the areas not in the list of difficult or exceptionally difficult socio-economic conditions specified in the Appendix to this Decree.

3. Tax exemption for 2 years, reduction of 50% of tax payable for the next 4 years for incomes from performing new investment projects specified in Clause 3, Article 15 of this Decree and enterprise’s income from performing new investment projects in industrial parks (except for industrial parks located in the areas with advantageous socio-economic conditions)”

Tax exemption or reduction is calculated continuously from the first year of taxable income. With respect to eligibility for tax exemption and reduction, tax payers must have an investment project falling into sectors as specified in Article 15 or in regions as specified in the Appendix to this Decree.

Tax payers rely on the relevant tax law and regulations against their practical situation in order to calculate the amount payable to the state budget, declare the tax in the tax returns and pay the tax in accordance with the tax returns. Tax payers must take responsibility for the accuracy and completeness of the tax returns. The provincial tax departments revise and examine the tax returns filed by the payers. When a tax payer is found at fault by the tax authority which relates to a shortage between the payable amount and the actual payment by the payer, such payer must pay for such shortage plus late payment interest and an amount of administrative fine for the fault caused by the tax payer.

Ministry of Finance is in charge of providing guidelines for the implementation of the law and government decrees.

Provincial tax departments are in charge of receiving and examining tax declarations of the payers

2. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

ANSWER:

Please refer to Exhibit 20 for:

- **Law on Corporate Income Tax 2008**
- **Law Amending and Supplementing a number of articles of the Law on Corporate Income Tax 2008 (“the Amending Law 2013),**
- **Law on Amendments to Tax Law No 71/2014/QH13 (the Amending Law 2014)**
- **Decree 218/2013/ND-CP effective from 15 February 2014**
- **Decree 91/2014/ND-CP dated 1 October 2014**
- **Decree 12/2015/ND-CP effective from 1 January 2015**

3. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

ANSWER:

The provincial tax department maintained the tax returns filed by the payer.

4. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-1** (or in a Microsoft Excel compatible format):

- (a) the business' address (including the city, province and region);
- (b) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
- (c) if the business is not an SIE, whether it is otherwise associated with the GOV; and
- (d) whether the entity produces galvanised steel

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

ANSWER:

Vietnam has millions of companies of many sectors and the GOV is unable to answer this question to all of them. In an attempt to cooperate and response to the Commission's question, the GOV answers this question with regards to exporters of galvanized steel products to Australia during the POI.

As the GOV is aware, two exporters of galvanized steels to Australia during the POI were entitled to benefits under this program, as follows:

- [REDACTED] was entitled to receive the preferential income tax rate of [REDACTED]% for 10 years, 2 year exemption from income tax payment and 50% reduction for the next 4 years since the incurrence of taxable income. [REDACTED]. As such, it did not receive benefits under this program. Incentives for [REDACTED] are provided on the following basis:
 - [REDACTED] is located in [REDACTED] which is included in the List of regions subject to corporate income tax preferences under Decree 124/2008/ND-CP dated 11 December 2008⁴.

⁴ Note that [REDACTED] was established in [REDACTED] when Decree 14/2008/ND-CP was applicable. During the POI, Decree 124 was replaced by Decree 218/2013/ND-CP effective from 15 February 2014 and Decree 12/2015/ND-CP effective from 1 January 2015. It is also important to note that Article 20.2 of Decree 218 allows the continuation of the application of corporate income tax

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- Article 15.4 of Decree 124 entitles [REDACTED] to the preferential tax rate of [REDACTED]% for 10 years. Article 16.3 of Decree 124 entitles [REDACTED] to 2 year exemption from income tax payment and 50% reduction for the next 4 years since the incurrence of taxable income.
- Exhibit 21-1 provides the 2015 Corporate Income Tax Return of [REDACTED]. Exhibit 22 provides Decree 124/2008/ND-CP dated 11 December 2008
- [REDACTED] was entitled 2 year exemption and 50% reduction for the next 4 years. These incentives are provided on the following basis:
 - [REDACTED] expanded its investment in [REDACTED] Factory in 2014, and thus entitled to benefit under Article 16.5 of Decree 218/2013/ND-CP.
 - [REDACTED] was exempted from paying income tax for 2015. Exhibit 21-2 provide 2015 Corporate Income Tax Return of [REDACTED]

5. For each entity identified in your response to Question 4 above that is an SIE, answer the following questions regarding their performance and profits.

- (a) How are the operations of the enterprise funded?
- (b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOV holds an interest.
- (c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.
- (d) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:
 - output and quality performance;
 - performance of employees/directors/managers; and

preferences granted before the Decree's effective date as of 15 February 2014 if those preferences are more advantaged than those granted under Decree 218. In this investigation, [REDACTED] was established before 15 February 2014. Due to Article 20.2 of Decree, corporate income tax preferences which were granted to them are not based on Decree 218, but under regulations valid prior to the effect of Decree 218

PUBLIC VERSION

- financial performance.

If any other GOV entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

- (e) Provide details of any official reporting mechanisms that the enterprise must comply with.
- (f) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.
- (g) How are profits of the enterprise distributed and to whom?
- (h) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.
- (i) Over the past 10 years, has the GOV provided any payment or made any injection of funds to the enterprise, including but not limited to:
- grants;
 - prizes;
 - awards;
 - stimulus payments and rescue type payments;
 - injected capital funds;
 - purchasing of shares.
- (j) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

ANSWER:

This question is not applicable as [REDACTED] and [REDACTED] are not state-owned enterprises.

6. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
- (a) Provide a list of functions the enterprise performs.

PUBLIC VERSION

- (b) Provide details of any government policies the enterprise administers or carries out on behalf of the GOV.
- (c) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
- (d) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.
- (e) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
- (f) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

ANSWER:

This question is not applicable.

- 7. Describe the application process (including any application fees charged by the government agency or authority) for the program.

ANSWER:

There is no application and approval process. Enterprises rely on the applicable tax law and regulations to identify the benefits they are entitled to, declare the benefits in the tax returns, and pay the income tax in accordance with the declaration. They take responsibility for the accuracy and completeness of the tax returns they file with the tax authority. The provincial tax departments revise and examine the tax returns and tax payments. When a tax payer is found at fault by the tax authority which relates to a shortage between the payable amount and the actual payment by the payer, such payer must pay for such shortage plus late payment interest and an amount of administrative fine for the fault caused by the tax payer.

- 8. After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

ANSWER:

Please refer to the response to Question 7.

PUBLIC VERSION

9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.
- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
 - (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
 - (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
 - (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
 - (e) Provide any contractual agreements between the GOV and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

ANSWER:

Eligibility for the benefits of the program is provided in Article 15 and 16 of Decree 218/2013/ND-CP, which identifies sectors of income tax preferences within these articles and regions of income tax preferences in the Appendix to Decree 218/2013/ND-CP and Appendix 1 to Decree 118/2015/ND-CP since 27 December 2015. Accordingly, eligibility for the benefits and actual use of import duty exemption is not contingent on export or the use of domestic over imported goods.

10. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

ANSWER:

The GOV does not have statistics of the use of this program by each industry and each region to provide at the request of the Commission.

11. For all programs listed in Table 1 (i.e. programs 1 to 19), describe any anticipated changes in the program. Provide documentation substantiating your answer. If the

program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

ANSWER:

This program is still in effect.

PROGRAM 19: INCENTIVES ON NON-AGRICULTURAL LAND USE TAX TO ENCOURAGE ENTERPRISES TO INVEST IN SECTORS OR REGIONS WHICH REQUIRE INVESTMENT

1. Provide full details of the each of the above programs including the following:
 - (a) policy objective and/or purpose of the program.
 - (b) legislation under which the subsidy is granted.
 - (c) nature or form of the subsidy.
 - (d) when the program was established.
 - (e) duration of the program.
 - (f) how the program is administered and explain how it operates.
 - (g) to whom and how is the program provided.
 - (h) the GOV department or agency administering the program.
 - (i) the eligibility criteria in order to receive benefits under the program.

ANSWER:

During the POI, non-agricultural land use tax is provided under the Law on Non-Agricultural Land Use Tax 48/2010/QH12 and Decree 53/2011/ND-CP implementing this Law.

Non-agricultural land use tax benefits including tax exemption and reduction are provided under Article 9 and 10 of the Law and Article 8 of Decree 53.

With respect to tax exemption, eligibility for the exemption includes:

- **Land of investment projects in sector of special investment preferences**
- **Land of investment projects in regions of exceptional socio-economic difficulties**
- **Land of investment projects of investment preferences and in regions of socio-**

economic difficulties

- **Land of projects with more than 50% employees being war invalids and soldiers**
- **Land of projects in the field of socialization, education, vocational training, healthcare, culture, sports or environment**
- **Land of projects for public and social interest such as construction of memorial house, nurturing facility for aged people,...**
- **Certain type of residential land**
- **Taxpayers who face difficulties due to force majeure circumstances if the value of damage related to land and houses on land accounts for over 50% of the taxable price**

With respect to tax reduction, 50% reduction of non- agricultural land use tax is granted to:

- **Land of investment projects in sectors of investment preferences**
- **Land of investment projects in regions of socio-economic difficulties**
- **Land of projects with 20- 50% employees being war invalids and soldiers**
- **Certain residential land**
- **Taxpayers who face difficulties due to force majeure circumstances if the value of damage related to land and houses on land accounts for between 20% and 50% of the taxable price**

Pursuant to Article 8 of Decree 53/2010/ND-CP, sectors of investment preferences and of special investment preferences and regions of socio-economic difficulties and regions of exceptional socio – economic difficulties must be in accordance with the law and regulations on investment. In particular:

- **Appendix 1 to Decree 108/2006/ND-CP identifies sectors of investment preferences and sectors of special investment preferences. Appendix 2 to this Decree identifies regions of socio-economic difficulties and regions of exceptional socio – economic difficulties. These two appendices were applicable from 25 October 2006 until 26 December 2015.**
- **Appendix 1 to Decree 118/2015/ND-CP identifies sectors of investment preferences**

and sectors of special investment preferences. Appendix 2 to this Decree identifies regions of socio-economic difficulties and regions of exceptional socio – economic difficulties. These two appendices were applicable from 27 December 2015 until now.

Ministry of Finance is in charge of providing guidelines for the implementation of the law and government decrees. Provincial tax departments are in charge of receiving and examining non-agricultural land use tax declarations of the payers.

2. Provide the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

ANSWER:

Please refer to Exhibit 23 for:

- **Law on Non-Agricultural Land Use Tax 48/2010/QH12**
- **Decree 53/2011/ND-CP dated 7 November 2011**
- **Decree 108/2006/ND-CP dated 22 September 2006**
- **Decree 118/2015/ND-CP dated 12 November 2015**

3. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

ANSWER:

The tax authority in the province where the land is located maintained the tax declarations filed by the payer.

4. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as **B-1** (or in a Microsoft Excel compatible format):
 - (a) the business' address (including the city, province and region);
 - (b) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
 - (c) if the business is not an SIE, whether it is otherwise associated with the GOV;and
 - (d) whether the entity produces galvanised steel

PUBLIC VERSION

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

ANSWER:

Vietnam has millions of companies of many sectors as well as located in different regions. Thus, the GOV is unable to answer this question to all of them. In an attempt to cooperate and response to the Commission's question, the GOV answers this question with regards to exporters of galvanized steel products to Australia during the POI.

As the GOV is aware, no exporters of galvanized steel products to Australia received benefit under this program during the POI.

5. For each entity identified in your response to Question 4 above that is an SIE, answer the following questions regarding their performance and profits.

- (a) How are the operations of the enterprise funded?
- (b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOV holds an interest.
- (c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.
- (d) Provide details and explain how the a particular government entity/Authority inspects or evaluates enterprise performance, including:
 - output and quality performance;
 - performance of employees/directors/managers; and
 - financial performance.

If any other GOV entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

- (e) Provide details of any official reporting mechanisms that the enterprise must comply with.
- (f) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.
- (g) How are profits of the enterprise distributed and to whom?

PUBLIC VERSION

- (h) Outline what action, if any, is taken by a government entity/Authority if the enterprises makes a loss or under-performs.
- (i) Over the past 10 years, has the GOV provided any payment or made any injection of funds to the enterprise, including but not limited to:
 - grants;
 - prizes;
 - awards;
 - stimulus payments and rescue type payments;
 - injected capital funds;
 - purchasing of shares.
- (j) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

ANSWER:

This question is not applicable.

- 6. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
 - (a) Provide a list of functions the enterprise performs.
 - (b) Provide details of any government policies the enterprise administers or carries out on behalf of the GOV.
 - (c) Indicate whether any of the enterprise's functions are considered to be governmental in nature.
 - (d) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.
 - (e) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.

- (f) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.

ANSWER:

This question is not applicable.

7. Describe the application process (including any application fees charged by the government agency or authority) for the program.

ANSWER:

There is no application and approval process. Enterprises rely on the applicable tax law and regulations to identify the benefits they are entitled to, declare the benefits in the tax returns, and pay the income tax in accordance with the declaration. They take responsibility for the accuracy and completeness of the tax returns they file with the tax authority. The provincial tax departments revise and examine the tax returns and tax payments. When a tax payer is found at fault by the tax authority which relates to a shortage between the payable amount and the actual payment by the payer, such payer must pay for such shortage plus late payment interest and an amount of administrative fine for the fault caused by the tax payer.

8. After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

ANSWER:

Please refer to the response to Question 7.

9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.
- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
 - (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.
 - (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

PUBLIC VERSION

- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (e) Provide any contractual agreements between the GOV and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

ANSWER:

Eligibility for the benefits of the program is provided in Article 9 and 10 of of the Law on Non-Agricultural Land Use Tax 48/2010/QH12 and two Appendices to Decree 108/2006/ND-CP effective until 26 December 2015 and two Appendices to Decree 118/2015/ND-CP effective from 27 December 2015.

Accordingly, eligibility for the benefits and actual use of import duty exemption is not contingent on export or the use of domestic over imported goods.

- 10. Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2011 to 30 June 2016.

ANSWER:

The GOV does not have statistics of the use of this program by each industry and each region to provide at the request of the Commission.

- 11. For all programs listed in Table 1 (i.e. programs 1 to 19), describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

ANSWER:

This program is still in effect.

SECTION C: PARTICULAR MARKET SITUATION

PART C -1 BACKGROUND

The applicant claims that a ‘particular market situation’ exists in respect of galvanised steel (the goods) in Vietnam due to government influence on both the prices of the goods and the major raw material inputs including hot-rolled coil (HRC), iron ore, coal, and cold-rolled steel used in the manufacture of the goods.

The existence of a ‘particular market situation’ could affect the Commission’s approach to calculating the normal value within its dumping assessment.

In broad terms, it is generally the case that the normal value of the goods is the price paid for like goods sold for home consumption in the country of export. One of the exceptions to using domestic selling prices for this purpose is if the Minister is satisfied that a situation in the market has rendered domestic selling prices unsuitable for establishing normal values (i.e. a ‘particular market situation’ exists).

These situations may be where the domestic selling prices in the country of export have been materially influenced by the government rendering those prices unsuitable for use in establishing normal values.

Through this questionnaire, the Commission is seeking information from the GOV, supported by evidence, in assessing the market situation claims made by the applicant. All document provided must be accompanied with a translated English version as well as the original version.

It may be necessary for the Commission to request additional information following receipt and review of your responses.

Prior to responding to the Commission’s request for information below, the GOV would like to take the opportunity to express its concerns and disagreement with the applicant’s market situation claims and the Commission’s consideration of such claims in the context of the dumping investigation, and specifically the determination of normal values for Vietnamese exporters of galvanised steel.

The applicant’s entire basis for claiming that a market situation exists in Vietnam and that as a consequence, domestic selling prices ought to be rejected as a suitable basis for establishing normal values, is that Vietnamese producers and exporters of galvanised steel are sourcing a significant portion of their raw material feed coil from Chinese imports. The applicant considers that previous findings made by the Commission that the Chinese steel market is distorted by various policies

introduced by the Government of China (GOC), is relevant to and indirectly impacts on domestic market conditions in Vietnam.

The GOV contends that there is no legal or policy basis upon which the Commission can find that distortions and subsidies affecting domestic raw material prices in one country, can indirectly lead to distortions of domestic selling prices of further processed goods in another country. This is confirmed and supported by the Commission's own stated policy and practice outlined in its **Dumping and Subsidy Manual**:

In investigating whether a market situation exists due to government influence, the Commission will seek to determine whether the impact of the government's involvement in the domestic market has materially distorted competitive conditions. A finding that competitive conditions have been materially distorted may give rise to a finding that domestic prices are artificially low or not substantially the same as they would be if they were determined in a competitive market.

One example of government influence distorting competitive conditions and leading to artificially low prices may be the presence of government owned enterprises in the domestic market. The presence of government owned enterprises, of itself, may not lead to the conclusion that sales are unsuitable. Rather, market conditions will no longer be said to prevail when the number of government owned enterprises, together with any unprofitable sales by those same enterprises, has caused a significant distortion to the prices received by private enterprises.

Prices may also be artificially low or lower than they would otherwise be in a competitive market due to government influence and distortion of the costs of inputs. Again the mere existence of any government influence on the costs of inputs would not be enough to make sales unsuitable. Rather, the Commission looks at the effect of this influence on market conditions and the extent to which domestic prices can no longer be said to prevail in a normal competitive market. It should be noted government influence on costs can only disqualify the sales if those costs can be shown to be affecting the domestic prices.

It is clear from the Commission's own policy that the distortions that would lead to a market situation finding must relate to the government of the country of export of like goods.

Therefore, the primary consideration and factor relevant to the Commission's market situation assessment has been to examine whether the government of the exporting country, has been involved or influenced the domestic market sufficiently to distort market conditions and domestic selling prices of the goods under investigation. As is evident from the responses provided above and below, and submitted information contained within the GOV's response, there is no real

involvement or influence on the domestic market for galvanised steel or the upstream materials used in the production of galvanised steel. That is, only a small proportion of the galvanised steel producers in Vietnam are state-invested enterprises and there are no producers of hot-rolled coil in Vietnam, whether state-invested or private entities.

Likewise, the GOV has not introduced or implemented any policies which could be interpreted as impacting on domestic market conditions for galvanised steel in Vietnam. As previously stated by the Commission⁵, *‘a market situation assessment involves an examination of factors which may affect the interaction of supply and demand in a sector, industry or particular market, to a considerable extent that prices and costs in that market can no longer be viewed as being established under those market principles.’*

This is an important distinction from the Commission’s previous findings with respect to the Chinese steel industry. That is, the GOV has no controls or policies which impact on the supply of raw materials given that there is no local industry in Vietnam which produces or supplies the relevant raw materials to the galvanised steel industry. Further, the GOV has minimal investment in the local galvanised steel industry and plays no part in the normal supply and demand conditions evident in the domestic market.

As noted by the applicant, the galvanised steel industry in Vietnam is totally dependent on the supply of imported hot rolled coil for processing into galvanised steel that is the subject of the current dumping investigation. In these circumstances, each Vietnamese galvanised steel producer is aiming to procure their HRC feed material at the most competitive global market price. The Vietnamese domestic market is therefore a prime example of true market principles where there are no constraints on purchases, no barriers to entry and no factors affecting sales on either domestic or export markets.

Importantly, the Commission’s policy with respect to the determination of exporter’s costs, is that an exporter should not be penalised for seeking to purchase materials from arms-length parties at prices as low as possible, even if such prices are considered to likely be below the corresponding cost of production. As noted in the Commission’s Dumping and Subsidy Manual:

The purchasing behaviour of the exporter may be examined to determine whether the input has been supplied at a competitive market price. For example, if the exporter buys “on-the-spot” from an external unrelated supplier in another country that will mean that it is a normal competitive market price.

The concept of a competitive market price is not taken to prevent an exporter buying inputs from arms-length suppliers at the prevailing price even if that input had been sold at below cost or dumped. This is because a company should not be penalised for

⁵ Report 2013 – Reinvestigation into HSS from China, Korea, Malaysia and Taiwan.

making commercial decisions to buy inputs at the best price; and a dumping authority would not be able to verify input costs from uncooperative and unrelated companies.

Therefore, in the circumstances facing the Vietnamese exporters of galvanised steel, the Commission should comply with its own policy and reject any assertion by the applicant that domestic selling prices and/or raw material costs are distorted and not reflective of competitive market prices.

Finally, the GOV wishes to remind the Commission that the Australian Government granted Vietnam market economy status in 2009, which ensures that the Commission must apply the normal rules outlined in the Articles of the Anti-Dumping Agreement and corresponding provisions of the *Customs Act 1901* (the Act), for determining normal values. Likewise, and irrespective of the Commission's determination of the existence of a market situation, the GOV also reminds the Commission of its obligations to ensure that the costs as reasonably reflected in the records of the producers of galvanized steel be used in assessing whether domestic sales were made in the ordinary course of trade and/or construction of normal values.

On this very issue, it is worth noting Australia's third party response to a question by the Panel in the recent dispute *EU – Biodiesel*. The Panel⁶ noted that Australia submitted that:

... the "particular market situation[s]" referred to in Article 2.2 encompass distortions that could render a producer/exporter's recorded costs unreasonable as to the cost of production and sale, and thereby justify departing from those recorded costs. However, in our view, Article 2.2 of the Anti-Dumping Agreement only states that a "particular market situation" may necessitate the construction of normal value. It does not address how that construction should be undertaken, which is instead set out in detail in the subparagraphs of Article 2.2.

The Panel went on to explain:

Finally, we note the explicit provisions allowing investigating authorities to disregard domestic prices and costs when determining the normal value that are provided for under the second Ad Note to Article VI:1 of the GATT 1994 (which is incorporated by reference into the Anti-Dumping Agreement through Article 2.7 thereof), and in the protocols of accession of certain Members. These provisions lend further support to our understanding of Article 2.2.1.1. At the very least, these provisions suggest to us that their drafters considered explicit derogations to be

⁶ Panel report, WT/DS473/R, footnote 391, page 82.

needed in order to allow investigating authorities to use prices or costs other than those prevailing in the country of origin.

The Panel found and the Appellate Body agreed, that it was inconsistent with Article 2.2.1.1 of the ADA to not calculate the cost of production on the basis of the records kept by the producers under investigation. The Panel and Appellate Body considered that the reason stated by the EU authorities for disregarding producers' costs — i.e. because the prices for the input were artificially lower than international prices due to an alleged distortion — does not constitute a legally sufficient basis under Article 2.2.1.1 for concluding that the producers' records do not reasonably reflect the costs associated with the production and sale of biodiesel.

In addition, the Panel and Appellate Body found that it was inconsistent with Article 2.2 of the ADA and Article VI:1(b)(ii) of the GATT 1994 to use a “cost” that was not the cost prevailing “in the country of origin”, in the construction of the normal value.

The GOV considers the interpretation of the Panel and the Appellate Body to be directly relevant to the Commission’s assessment of the market situation claims and determination of the costs of production of galvanised steel in Vietnam by the exporters under investigation.

PART C -2 A PARTICULAR MARKET SITUATION

The following questions relate to the allegations that ‘a particular market situation’ exists in Vietnam in the galvanised steel industry.

1. Provide a detailed description of the domestic Vietnamese galvanised steel industry and the relevant upstream industries, including HRC, iron ore, coking coal, coke and scrap metal industries. The response should include details of:
 - (a) distribution channels
 - (b) any vertical integration
 - (c) any changes over the last 5 years (such as mergers and acquisitions)
 - (d) any changes to the government laws and regulations after 1 July 2011
 - (e) degree or proportion of government ownership in the industry

ANSWER:

The galvanised steel industry in Vietnam is currently limited to processing galvanised steel products from hot rolled coils and thus, it is not a vertical integration industry. There is no hot rolled coils manufacturer in Vietnam and the galvanised steel industry entirely

depends on the imported hot rolled coils mainly originating from China, Taiwan, South Korea and Japan.

Coking coal, coke, iron one and scrap steel which are produced in Vietnam do not serve as inputs for the galvanised steel industry due to the absence of the production of hot rolled coil in Vietnam. These raw materials totally serve the production of steel billets and long steel products.

The galvanised steel industry is subject to the same set of laws and regulations as with other sectors of production and business. In addition, there is no restriction in the number of galvanized steel producers or in the private or foreign ownership in this sector. Being a galvanised steel maker has never been a criterion for such producer to receive any benefit under the Vietnam law.

The Vietnam galvanised steel industry is almost entirely owned by the private sector. The GOV does not have direct ownership in any galvanized steel producers. As indicated in Spreadsheet A-4 of Exhibit 1, among 15 producers known to the GOV, only 02 companies are owned by state-owned enterprises which are subject to the Law on Enterprises as with private or foreign owned companies. These two companies' galvanized steel production account for less than █% of Vietnam's total production quantity of galvanized steel products during the POI, as indicated in SpreadSheet C2-5 of Exhibit 1.

Since 2011, the galvanized steel industry has expanded through either capacity increase by installing new production lines within galvanized steel manufacturers or establishment of new companies in this field such as █ (FIE). The industry is not limited to producing zinc coated steels subject to this investigation but also other types of galvanized steel products. Galvanized steel products are mainly sold in Vietnam although they are also exported to other countries including Australia. During the POI, based on the Vietnam Steel Association's estimation, Vietnam produced █⁷ tons of galvanized steels subject to this investigation during the POI and only 10% was export to all over the world, including Australia.

The GOV has not issued or implemented any law or regulations that exclusively address the galvanized steel industry. Since 1 January 2011, changes have been made to regulations on investment, tax, and import duty, which would be discussed in the GOV's response to

⁷ This is an estimated number for the POI and calculated on the basis of the total quantity production of galvanized steels of Vietnam in 2015 and 6 first months of 2016 as reported by Vietnam Steel Association to the South East Asia Iron and Steel Institute.

the Commission's questions regarding specific alleged subsidy program. However, it is important to note that all of these changes apply to all production and business sectors.

2. Provide quarterly data (using Microsoft Excel format) over the period 1 July 2011 to 30 June 2016 for:

(a) import quantity (by volume and value) of

- (i) iron ore
- (ii) coking coal
- (iii) coke
- (iv) HRC
- (v) scrap metal
- (vi) galvanised steel

(b) export quantity (by volume and value) of

- (i) iron ore
- (ii) coking coal
- (iii) coke
- (iv) HRC
- (v) scrap metal
- (vi) galvanised steel

ANSWER:

Please refer to Exhibit 25.

3. Provide a schedule for the period 1 July 2011 to 30 June 2016 of:

(a) the corporate tax rate in relation to:

- (i) the iron ore, coke and coking coal miners/importers/traders
- (ii) HRC manufacturers/traders
- (iii) scrap metal traders
- (iv) galvanised steel manufacturers/traders

ANSWER:

Please refer to Exhibit 26.

- (b) import tariff rates and/or import quotas applicable to:
 - (i) iron ore
 - (ii) coking coal
 - (iii) coke
 - (iv) HRC
 - (v) scrap metal
 - (vi) galvanised steel

ANSWER:

Please refer to Exhibit 27. In terms of import quotas, the GOV notes that no quota has been applied on galvanized steel, coking coal, coke, HRC, iron ore and scrap metal.

- (c) export tariff rates and/or export quotas applicable to:
 - (i) iron ore
 - (ii) coking coal
 - (iii) coke
 - (iv) HRC
 - (v) scrap metal
 - (vi) galvanised steel

ANSWER:

Please refer to Exhibit 28 for the requested export tariff rates. In terms of export quotas, the GOV notes that no quota has been applied on iron ore, galvanized steel, coking coal, coke, HRC and scrap metal.

(d) Sales tax such as GST⁸/VAT⁹ or any other form of export rebates applicable to exports of:

- (i) iron ore
- (ii) coke

⁸ Goods and services tax

⁹ Value added tax

- (iii) coking coal
- (iv) HRC
- (v) scrap metal
- (vi) galvanised steel

ANSWER:

When iron ore, coal including coking coal and coke, steel including hot rolled coil, scrap metal and galvanized steel are consumed within Vietnam, they are subject to the valued added tax (“VAT”). The tax rate applicable during 1 July 2011 and 30 June 2016 is 10%, as provided under Article 8 of the Law on Value Added Tax 13/2008/QH12 dated 3 June 2008.

When iron ore, coal including coking coal and coke, steel including hot rolled coil, scrap metal and galvanized steel are destined for export, they are not subject to the value added tax, as provided under Article 5.23 of the Law on Value Added Tax 13/2008/QH12 and Article 1 of the Law on Amendments to the Law on value added tax No 31/2013/QH13 dated 19 June 2013

4. If export quotas applied to any of the items at Question 3(c) above, identify which agency of the GOV legislates and monitors the quotas.

ANSWER:

The question is not applicable.

5. Complete the attached spreadsheet **C–2.5** (using Microsoft Excel format) listing all Vietnamese galvanised steel producers and/or exporters that have produced and/or exported those goods destined for Australia during the investigation period, including the following details:
 - a. name of the business
 - b. address of the business (including the state, city, province and region)
 - c. function of the business (e.g. manufacturer, trader, exporter)
 - d. type of business (e.g. State invested enterprise (SIE), Foreign invested enterprise (FIE), private enterprise, joint venture or other (please specify))
 - e. if the business is not a SIE, whether it is otherwise associated with the GOV

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- f. whether the business also manufactures HRC
- g. whether the business is also an iron ore and/or coking coal miner
- h. production quantity of galvanised steel
- i. whether GOV is a shareholder in the business, and if so the percentage of GOV holdings
- j. whether there is GOV representation in the business, and if so the type of representation (e.g. on the Board of Directors), the authority responsible, and indicate any special rights provided to the representative (e.g. veto rights)

For each business where the GOV is a shareholder and/or there is GOV representations in the business provide:

- (i) the complete organisational structure, including subsidiaries and associated businesses; and
- (ii) copies of annual reports of the business for the last 2 years

Your response to this question will be referred to as your response to question C-2.5 throughout the remainder of the questionnaire.

ANSWER:

Please refer to Exhibit 1 for Spreadsheet C-2.5.

Please refer to Exhibit 2 for the organization structure and 2014 and 2015 financial statements of [REDACTED].

Please refer to Exhibit 3 for the organization structure and 2014 and 2015 financial statements of [REDACTED].

- 6. Complete the attached spreadsheet C-2.6 (using Microsoft Excel format) listing all manufacturers/traders of iron ore, coking coal, coke, HRC and scrap steel in Vietnam including the following details:
 - a. name of the business
 - b. address of the business (including the city, province and region)
 - c. function of the business (e.g. manufacturer, trader, exporter)
 - d. type of business (e.g. State invested enterprise (SIE), Foreign invested enterprise (FIE), private enterprise, joint venture or other (please specify))

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- e. if the business is not a SIE, whether it is otherwise associated with the GOV
- f. production quantity of coking coal, coke or scrap steel
- g. whether the GOV is a shareholder in the business, and if so the percentage of GOV holdings
- h. whether there is GOV representation in the business, and if so the type of representation (e.g. on the Board of Directors), the authority responsible, and indicate any special rights provided to the representative (e.g. veto rights)

For each business where the GOV is a shareholder and/or there is GOV representations in the business provide:

- (a) the complete organisational structure, including subsidiaries and associated businesses; and
- (b) copies of annual reports of the business for the last 2 years.

Your response to this question will be referred to as your response to question

C-2.6 throughout the remainder of the questionnaire

ANSWER:

Please refer to Exhibit 1 for Spreadsheet C-2.6.

Please refer to Exhibit 29 for the organization structure and 2014 and 2015 financial statements of [REDACTED]

Please refer to Exhibit 30 for the organization structure and 2014 and 2015 financial statements of [REDACTED]

- 7. Provide names of all industry associations that represent the above business types, provide names, address and contact details including the websites of the relevant industry association.

ANSWER:

The majority of galvanised steel producers in Vietnam are members of Vietnam Steel Association.

Information of the Vietnam Steel Association is as follows:

Address: Floor 3 – 91 Lang Ha - Hanoi

Telephone: 04-35146230 – 04.35144056

Fax: 04- 35145113

Website: <http://vsa.com.vn/>

Email: Vietnam.steel.association@gmail.com

8. Has the GOV issued or participated in the issuance of any debt or equity instruments¹⁰ in any business entity associated with galvanised steel (including HRC, iron ore, coke, coking coal and scrap metal) industries in the last 5 years? If so:
- (i) provide the names and address of the business entities
 - (ii) explain the reasons for using a particular financial instrument(s)
 - (iii) provide full details (such as number of shares and value of bonds), including the period of investments and the rate of return(s) (and/or expected yields)
 - (iv) are any of these instruments or securities listed in any securities exchange in Vietnam or overseas? If so:
 - (a) Provide the name(s) of the securities of exchange;and
 - (b) Identify any trading restrictions by the business entity and/or the securities exchange

ANSWER:

The Government has not directly issued or participated in the issuance of any debt or equity instruments to any business entity associated with galvanized steel industries in the last 5 years. However, in the last five years, two investment credits and an ODA-sourced loan were granted by Vietnam Development Bank – a policy bank 100% owned by the GOV - to [REDACTED] – a producer/exporter of the galvanized steel industry. Information on [REDACTED] is provided in Spreadsheet A-4 of Exhibit 1.

With respect to VDB’s loans provided to [REDACTED], the GOV notes that [REDACTED] received these loans for two investment projects as follows:

- **First, [REDACTED] received two loans for its Investment project to build a cold rolling mill.**
 - **Investment credit contract signed [REDACTED] in which the**

¹⁰ examples of such instruments include ordinary shares (including initial public offers), preferential shares, rights issue, bonds, quasi-government bonds warrants, debentures, sub-ordinate loans.

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amount of the credit is [REDACTED] million Vietnam dong during [REDACTED] years with an interest rate of [REDACTED]% per year. [REDACTED] paid off this loan in [REDACTED].

- Indian sourced ODA credit contract signed [REDACTED] in which the amount of the loan is [REDACTED] million US dollars for [REDACTED] years (including 3 years of deferral) with an interest rate of [REDACTED]% per year. VDB also charged [REDACTED]% for the management fee as this loan used the ODA budget. The outstanding balance by 30 September 2016 is [REDACTED] US dollars.

- Second, [REDACTED] received an investment credit from VDB for its Investment project on a color coating steel line – stage II. The contract was signed on [REDACTED] in which the amount of credit is [REDACTED] million Vietnam dong for [REDACTED] years with an interest rate of [REDACTED]% per year. [REDACTED] paid off the loan and liquidated the credit contract on [REDACTED].

9. Provide details (quantify the value) of any government guarantee provided for any commercial loans by a business entity associated with galvanised steel (including HRC, Iron ore, coke, coking coal and scrap metal) industries in the last 5 years.

ANSWER:

The GOV has not provided any guarantee for any commercial loans by a business entity associated with galvanized steel industries in the last 5 years.

10. Describe and explain whether the national, state, regional, provincial or local governments (including ministries or offices of those governments, or any quasi-governmental organisation identified) explicitly or implicitly recognises the industry that produces galvanised steel as a national, state, regional provincial, and/or local development objective, or otherwise directs the development of that industry.

ANSWER:

The GOV at both central and provincial level does not recognizes the galvanized steel as a national or provincial development object and direct the development of that industry.

11. Provide a list and copies of any specific laws, decrees, rules, promulgations, edicts, opinions, measures, regulations and directives regarding:

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- (a) The regulation of the price of galvanised steel or any of the upstream raw materials used to manufacture galvanised steel products; and

ANSWER:

Please refer to Exhibit 31 for the Law on Prices No 11/2012/QH13 dated 20 June 2012 and implementing Decree 177/2013/ND-CP dated 14 November 2013. According to Article 11 of the Law on Prices, enterprises have the right to self-determine the prices of goods or services which they manufacture except for the goods subject to price determination by the GOV. Article 19 of this Law identifies goods subject to price determination by the GOV which include (i) goods or services under the monopoly supply by the state and (ii) important resources, and (iii) National reserve goods; products, services for public interest and service of public career using state budget. Galvanized steel and all the upstream raw materials used to manufacture galvanized steel products do not fall within three types of goods subject to the state determination of price. In addition, Galvanized steel and all the upstream raw materials used to manufacture galvanized steel products do not fall into the list of goods subject to price stabilization by the state as provided under Article 15 of this Law.

Ministry of Finance is in charge of issuing circulars to instruct the implementation of the Law on Prices and Decree 177/2013/ND-CP.

- (b) Investment in projects related to galvanised steel or any of the upstream raw materials used to manufacture galvanised steel products.

ANSWER:

Investment in projects related to galvanized steel or any of the upstream raw materials used to manufacture galvanized steel products is subject to the same investment regulations with investment in other sectors. These regulations include:

- **Law on Investment 59/2005/QH11 dated 29 November 2005 (“the Law on Investment 2005)**
- **Law on Investment 67/2014/QH13 dated 26 November 2014 (“Law on Investment 2014”)**
- **Decree 108/2006/ND-CP dated 22 September 2006 detailing and guiding the implementation of a number of articles of the Law on Investment 2005**

- **Decree 118/2006/ND-CP dated 12 November 2015 detailing and guiding the implementation of a number of articles of the Law on Investment 2014**

Ministry of Planning and Investment issued circulars to instruct the implementation of the above regulations in general and to provide investment procedures in Vietnam in particular.

12. Identify the specific government department or institution responsible for the above-mentioned laws and regulations in Question 10 above.

ANSWER:

Please refer to the response to Question 11.

DECLARATION

DECLARATION

The undersigned certifies that all information supplied herein in response to the questionnaire (including any data supplied in an electronic format) is complete and correct to the best of his/her knowledge and belief.

Date

Signature of authorised official

Name of authorised official

Title of authorised official

Glossary of terms

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

Associated Persons and/or Companies

Persons shall be deemed to be associates of each other if:

(a) both being natural persons:

(i) they are connected by a blood relationship or by marriage or adoption; or

(ii) one of them is an officer or director of a body corporate controlled, directly or indirectly, by the other;

(b) both being bodies corporate:

(i) both of them are controlled, directly or indirectly, by a third person (whether or not a body corporate); or

(ii) both of them together control, directly or indirectly, a third body corporate; or

(iii) the same person (whether or not a body corporate) is in a position to cast, or control the casting of, 5% or more of the maximum number of votes that might be cast at a general meeting of each of them; or

(c) one of them, being a body corporate, is, directly or indirectly, controlled by the other (whether or not a body corporate); or

(d) one of them, being a natural person, is an employee, officer or director of the other (whether or not a body corporate); or

(e) they are members of the same partnership.

Enterprise

“Enterprise” includes a group of enterprises, an industry and a group of industries.

Financial Contribution

There is a "financial contribution" by a government where:

(a) a government practice involves a direct transfer of funds (grants, loans, and equity infusion), potential direct transfer of funds or liabilities (e.g. loan guarantees);

(b) government revenue that is otherwise foregone or not collected (e.g. fiscal incentives such as tax credits);

(c) the government provides goods or services, other than general governmental infrastructure, or purchases goods; or

(d) a government makes payments to a funding mechanism, or entrusts or directs a private body to carry out one or more of the type of functions illustrated in (a) to (c) above which would normally be vested in the government and the practice, in no real sense, differs from practices normally followed by the government.

Government of Vietnam (GOV)

For the purposes of this questionnaire, GOV refers to all levels of government, i.e., central, provincial, regional, city, special economic zone, municipal, township, village, local, legislative, administrative or judicial, singular, collective, elected or appointed.

It also includes any person, agency, enterprise, or institution acting for, on behalf of, or under the authority of any law passed by, the government of that country or that provincial, state or municipal or other local or regional government.

Particular market situation

Refers to a situation within the domestic market of exported goods that renders sales within that market of those goods unsuitable for determining normal values under s.269TAC(1) of the Act

Special Economic Zone (SEZ)

Refers to a Special Economic Area, Economic and Technical Development Zone, Bonded Zone, Export Processing Zone, High Technology Industrial Development Zone, or any other designated area where benefits from the GOV (including central, state, municipal or county government) accrue to a company because of being located in such an area.

State Invested Enterprises (SIE)

For the purposes of this questionnaire, SIE refers to any company or enterprise that is wholly or partially owned by the GOV as defined above (either through direct ownership or through association) including.

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- ‘enterprises with state investment’
- ‘state-owned assets’
- ‘state-invested enterprises’

For the purposes of this questionnaire, SIE refers to any and all of the above types of enterprises.

Subsidy

In relation to goods that are exported to Australia, means:

(a) a financial contribution:

- (i) by a government of the country of export or country of origin of those goods;
or
- (ii) by a public body of that country or of which government is a member; or
- (iii) by a private body entrusted or directed by that government or public body to carry out a governmental function;

that is made in connection with the production, manufacture or export of those goods and that involves:

- (iv) a direct transfer of funds from that government or body to the enterprise by whom the goods are produced, manufactured or exported; or
- (v) a direct transfer of funds from that government or body to that enterprise contingent upon particular circumstances occurring; or
- (vi) the acceptance of liabilities, whether actual or potential, of that enterprise by that government body; or

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- (vii) the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) due to that government or body by that enterprise; or
- (viii) the provision by that government or body of goods or services to that enterprise otherwise than in the course of providing normal infrastructure; or
- (ix) the purchase by that government or body of goods provided by that enterprise;
or

(b) any form of income or price support as referred to in Article XVI of the General Agreement Tariffs and Trade 1994, that is received from such a government or body;

if that financial contribution or income or price support confers a benefit in relation to those goods.