

*Hanoi, March 20, 2018*

**LETTER TO ENTERPRISES**  
**For cooperation in vocational education and training**

To: .....

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In the implementation of Resolution of the 12th National Congress of the Communist Party of Vietnam, in order to achieve the goals and targets for the five-year national socio-economic development plan (2016-2020) approved by the National Assembly, Vietnam must accelerate the restructuring of the economy in order to improve the quality of growth, develop in-depth based on knowledge of innovation, creativity, science and high technology, in which, enterprises are the driving force to improve the competitiveness and the autonomy of the economy.

With such importance, in order to help your business grow more, the Directorate of Vocational Education and Training (DVET), Ministry of Labor-Invalids and Social Affairs commits to supply the best trained human resources to meet your requirements. However, in order to achieve this, DVET in cooperation with Vietnam Chamber of Commerce and Industry (VCCI) would like to ask you to join hands and participate in the vocational education and training activities. Engaging in the vocational education and training activities are both your right and social responsibility which will bring huge benefits to your business.

**1. Regarding the rights of your enterprises in vocational education and training (VET)**

Once participating in VET, enterprises are entitled to such rights as:

- Establish a VET institute to provide direct human resources for the business of the enterprise and the social;
- Register VET operations to provide elementary-level VET and further training programmes for workers in the enterprise and other workers as prescribe in the Law on Vocational Education and Training;
- Cooperate with other VET institutes to provide elementary-level, intermediate-level, or collegial level training programmes and further training



programmes; order training to VET institutes according to the actual requirements of the labor market;

- Participate in the training process of the VET institutes such as the formulation of national occupational standards, learning outcomes, list of VET programmes; participate in the council of public VET institutes or participate in the board of directors in private VET institutes; participate in the formulation of training curriculum and materials; train or assess learning outcomes of students in VET institutes; support to build infrastructure and equipment; finance and provide scholarships to students studying in VET institutes.

- Coordinate to organize, provide further training on teaching skills, training management and organization skills for teachers of VET institutes and technical staff (trainers) of enterprises participating as trainers;

- Recruit people to be trained and apprenticed in order to work for the enterprises as prescribed in the Labor Code;

- Receive assistance in developing and publishing occupational standards corresponding to working positions in your enterprises; receive support to organize training, provide further training and assessment for the upgrading of skill levels of employees working in your enterprises;

- Appoint employees to participate in the skills competitions at national, ASEAN and world levels, thus improve the skills of workers, enhancing the position and brand of the enterprise.

## **2. Regarding the benefits of your enterprises**

Participating in VET operation will help your enterprises achieve many benefits, specifically as below:

- Be able to train your own workers to meet the actual requirements on production, business and services; reduce the shortage of skilled workers; create a professional workforce which adapts to technological changes and new working environments; increase productivity and quality of human resources in your enterprises.

- Recruit good staff who has long-term commitment to the enterprises where they were previously trained; save costs on recruitment, training and re-training at the enterprises;

- Build image and credibility of your enterprises by enhancing social responsibilities;

- Enjoy economic benefits thanks to tax exemptions and deduction policies (policies on enterprise income, value added tax policy, policies on import and export taxes) and other priority policies (see the attached annex).

Once again, for the development of your enterprises and the development of the national human resource, DVET and VCCI call for and are willing to cooperate more tightly with your enterprise. Your enterprises can coordinate with VET institutes for training, ordered training or in-service training;



with VET institutions for training, ordered training or in-service training; coordinate with VET institutions for further training on vocational skills for your enterprises workers and other activities.

Professor Robert S. Kaplan (Harvard University) once compared the State as the boat and enterprises are the rowers, DVET and VCCI are willing to work together with “the paddles” in order to drive “the boat” to its destination for the sake of our start-up country.

For any information relating the cooperation between VET and industry, please contact the following:

1. The VET institutions listed on the Website of DVET (<http://www.en.tcdn.gov.vn>);

2. Provincial Department of Labor – Invalids and Social Affairs where your enterprises located;

3. DVET (37 Nguyen Binh Khiem, Hai Ba Trung, Ha Noi. Contact: Mr. Vu Xuan Hung, Director of Department of Formal Training; Tel: 0983.752.225; email: [hung.vdtn@molisa.gov.vn](mailto:hung.vdtn@molisa.gov.vn); Mr. Dao Van Tien, Director of Department for Continuous Training; Tel: 0903.411.568; email: [tiendv@molisa.gov.vn](mailto:tiendv@molisa.gov.vn));

4. VCCI (9 Dao Duy Anh, Kim Lien, Dong Da, Ha Noi. Contact: Ms. Tran Thi Lan Anh, Director of Bureau of Employer Activities; Tel: 0903.204.381; email: [lananh\\_siyb@yahoo.com](mailto:lananh_siyb@yahoo.com)) or branches of Vietnam Chamber of Commerce and Industry in your local area.

Thank you very much for your consideration and cooperation.

We wish you continuous success, contributing more to the development of the country. /s/

**VIETNAM CHAMBER OF  
COMMERCE AND INDUSTRY**



**VICE EXECUTIVE PRESIDENT  
Hoang Quang Phong**

**DIRECTORATE OF VOCATIONAL  
EDUCATION AND TRAINING**



**DIRECTOR GENERAL  
Nguyen Hong Minh**



## **ANNEX**

### **Preference Policies for Enterprises Participating in Vocational Education and Training Operation**

*(Enclosed with the Invitation to Enterprises for Participating in Vocational Education and Training dated March 20, 2018 from Director General of Directorate of Vocational Education and Training and Vice Executive President of Vietnam Chamber of Commerce and Industry)*

According to the requirements specified in the Labour Code, Law on Vocational Education and Training, Law on Value Added Tax, Law on Import and Export Tax, and Revised Laws on Taxes and guiding documents on implementation of the laws, enterprises will be entitled to the below favorable policies when participating in VET operations:

#### **1. Policy on enterprise income**

##### ***a) Costs to be deducted when determining taxable income***

According to the regulations of the Law on Company Income, Revised Laws on Taxes and guiding documents (Circular number 11/VBHN-BTC dated 15/5/2017 by Ministry of Finance on consolidating guidance on some company income policies ...), enterprises participating in VET operations will be deducted the following expenses when determining taxable income:

- Expenses paid to trainers, training material, composing materials, equipment used for vocational education and training; materials for practice;
- Expenses paid to facility building, machine and equipment as fixed assets used for organizing VET operations will be depreciated and charged to expense to be deducted when determining taxable income ;
- Other expensess for supporting trainees and expenditures for participating in VET activities as regulated.
- Training expenses paid by the enterprise for labours recruited to work for that enterprise;
- Expenses for financing public and private VET institutes, which is not for capital or purchasing shares of VET institutes;
- Expenses for financing infrastructure served for training and regular activities of VET institutes;
- Expenses for financing scholarship for students in VET institutes; financing skill examinations whose participants are trainees.
- Expenses for financing the establishment of funds for promoting education according to the regulations on education and training;
- Income from VET for ethnic minority people, people with disabilities, children in particularly difficult circumstances, people of social problems, people being detoxified, post-detoxified people, HIV/AIDS-infected people;

### ***b) Preferential tax rate***

- Preferential tax rate of 10% during the operation time applied for the enterprise's income from VET operations;
- Newly established enterprise in VET shall enjoy tax exemption within 4 years and deduct 50% amount of tax payable within the successive 9 years in the areas with extremely difficult socio-economy circumstance.

### **2. Value added tax policy**

According to the Law on Valued Added Tax and guiding documents (Circular number 219/2013/TT-BTC dated 31/12/2013 by Ministry of Finance guiding on the implementation of value added tax), activities not subject to value-added tax include:

education and VET activities including foreign language training, computer skills training and other vocational training activities which aims to train, improve knowledge and professional skills;

- Publish, import, issue newspapers, magazines, specialized bulletins, textbooks, scientific books.

### **3. Policies on import and export taxes**

As regulated by Law on Import and Export in 2016 and the guiding documents, enterprises are exempted from import tax for imported goods, which cannot be produced domestically, for domestic use directly for vocational education and training.

Apart from the above-mentioned policies, enterprises shall enjoy socialization policies and other favorable policies on tax when participating in VET operations./.