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| **MINISTRY OF SCIENCE AND TECHNOLOGY** | **THE SOCIALIST REPUBLIC OF VIETNAM**  **Independence - Freedom - Happiness**  Hanoi, 2017 |

**Regulation on Organization and Operation of**

##### Vietnam – Korea Institute of Science and Technology

*(Issued along with Decision No. /QD-BKHCN dated /2017 of Ministry of Science and Technology)*

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**Chapter I**

**MISSION, STATUS, FUNCTIONS/DUTIES AND POWERS**

**Article 1. Mission**

The mission of the Vietnam-Korea Institute of Science and Technology (hereinafter Institute) is to become a leading institution in research on applied sciences and the development of advanced technologies focused on industrial sectors and the sustainable economic advancement.

The Institute is to accommodate high-quality scientists, researchers and staff members; to build modern R&D facilities and operating systems; to establish highly autonomous and advanced management practices and to secure an advanced learning environment for the enhancement of national competence in science and technology and the modernization of key economic sectors.

**Article 2. Legal Status**

1. The Institute is established by the Government in accordance with Decree No. 50/2015/ND-CP (dated May 18, 2015) of the Government on the establishment of the Vietnam-Korea Institute of Science and Technology and is directly under the Ministry of Science and Technology.

2. The official English name of the Institute is: the Vietnam - Korea Institute of Science and Technology (V-KIST).

The Institute is a legal entity with its own stamp and can open accounts at the State Treasury, and commercial banks for operational and transactional purposes as stipulated by law.

The headquarters for the Institute is located in Ha Noi, and the Institute can open branches and representative offices both in Vietnam and overseas, as stipulated by law.

**Article 3. Functions and Duties**

1. Functions

The Institute is commissioned to conduct high-level research and development (R&D) on applied sciences and multi-disciplinary technologies for industrial application, and to provide advanced technical services and high-quality human resources to enterprises and the technical-economic sectors.

2. Duties

a) R&D on fundamental technologies for Vietnam’s key industries directed by and contracted with the State and enterprises.

b) R&D on strategic products and systems for national defense and security commissioned by the State based on periodical priorities of the State and the Ministry of Science and Technology.

c) Participate in R&D on national products.

c) Development of cooperative R&D projects and actively disseminating the outcomes to enterprises, especially large enterprises and foreign direct investment companies.

d) Promotion of technological innovation with an emphasis on upgrading strategic industrial sectors, and developing modern technologies to enhance localization of imported technologies with a focus on information technology and biotechnology.

e) Promotion of entrepreneurship and the incubation of technology-oriented start-ups and enterprises.

f) Support for econo-technical sectors and enterprises with proactive technical services.

g) Conducting of policy development and the planning of strategic econo-technical sectors in Vietnam for speeding-up technological and industrial progress.

h) International cooperation in R&D, manufacturing and business; connecting with national and international individuals or organizations with priority given to Korean research institutions, universities and enterprises.

i) Cultivation of graduate study programs in the Institute’s high-priority fields in accordance with the relevant laws on education and training; train high-quality technical personnel for econo-technical sectors and enterprises.

j) Other duties assigned by the Minister of Science and Technology.

**Article 4. Autonomy**

The Institute exercises the autonomy applied to public administrative agencies and ensures itself an adequate budget for regular spending and investment as stipulated by the Government’s Decrees (No. 16/2015/ND-CP, dated February 14, 2015 on Exercising the Autonomy of Public Administrative Agencies and Decree No. 54/2016/ND-CP June 14, 2016 on providing the mechanism of autonomy and self-management applicable to public science and technology organizations) and related laws and regulations on the employment of civil servants and public employees. In addition, the Institute shall exercise specific policies and mechanisms, as listed below:

1. Operation and management

a) Self-determine mid-term and long-term goals; develop strategies, programs, and plans and organize the mission’s implementation.

b) Self-determine the scientific and technological orientations, programs and projects of the Institute.

c) Conclude research contracts and apply the fund allocating mechanism for conducting scientific projects using Government funding.

d) Self-develop and implement cooperative research programs with national and international partners.

2. Organization

Determine the establishment, re-organization and dismissal, and define the organizational structure and activities of units that have legal standing and other units that are directly under the Institute.

3. Human Resources

a) Decide the structure and number of personnel directly participating in scientific and technological activities at the Institute.

b) Decide on the employment, dismissal, assignment, appointment, re-appointment, hiring and relief from duties as well as implement the policies of reward, treatment, discipline and management of personnel.

c) Decide the payroll, salary-based allowances and other specific preferential treatment for individuals working in the Institute in accordance with the financial regulations of the Institute, as issued by the Minister of Science and Technology.

d) Decide on the sending the Institute’s leaders and staff for training, internships, missions, working, business, conferences and workshops both in Vietnam and abroad.

e) Decide on the invitation of experts and collaborators both in Vietnam and overseas to work for the Institute, and implement policies for the positive treatment of experts, as defined in the Institute’s financial regulations.

4. Finance

a) The Institute is allowed to exercise autonomy and self-responsibility in terms of its finances, thereby ensuring the encouragement of high-quality foreign and overseas Vietnamese scientists residing both inside and outside Vietnam to participate in the scientific and technological activities of the Institute.

b) Individuals working in science and technology at the Institute shall be entitled to the highest preferential treatment as stipulated by by the Government’ Decree (Decree No. 87/2014/ND-CP dated September 22, 2014) on attraction of scientists and technologists who are overseas Vietnamese and foreign experts to participate in scientific and technological activities in Vietnam as well as other related legal documents.

c) The Institute has the autonomy to manage and decide the spending items, expenditure limits and utilization of financial resource, as stipulated in the financial regulations and Internal spending regulations of the Institute.

d) With regard to aid, sponsorship and gifts received from individuals and organizations residing both inside and outside Vietnam, the Institute will utilize these financial resources as regulated by law or as agreed upon with the sponsors and the Internal spending regulations of the Institute.

e) For spending related to fundamental construction and investment in facilities using Government funding, payments and control of payments will be conducted in accordance with laws regarding public investment.

f) The Institute shall be allowed to take loans from organizations and individuals and credit loans from banks for investing in expanded manufacturing and improved activities at the Institute. The Institute shall be responsible for re-paying the loan and is allowed to use the asset orginated from loan for mortgage.

g) The Government determines the asset’s value and allocates it to the Institute for management in the same way it allocates funding to enterprises as stipulated by laws on the management and utilization of Government assets. The Institute has the right to utilize the allocated fixed asset, public administrative development funds, mobilizing fund of individuals working at the Institute to participate in joint-ventures for business manufacturing, commercialization, and application of scientific and technological research, on the basis of self-compensation for expenses and conservation of funding in joint-ventures, as stipulated by law.

h) With regard to scientific and technological tasks ordered by the Government, the Institute is allowed to implement the funding allocation mechanism for final products as stipulated by the relevant regulations. Tasks requested by organizations and individuals not using Government funding can be implemented on a contractual basis.

i) The Institute is allowed to extract and establish funds as regulated by law.

j) The Institute exercises other rights regarding financial autonomy in accordance with the financial regulations, Internal spending regulations of the Institute and other related laws.

**Article 5. Report and Evaluation**

1. Regarding operational results and efficiency, the Institute reports to the Minister of Science and Technology in annual reports or special reports, in need.

2. Periodically every three (03) years, the Ministry of Science and Technology will evaluate the operational results and efficiency of the Institute according to international common practice, except for the 1st evaluation that will be conducted after 2 years. Evaluation methods and criteria follow international practices, and a budget for the evaluation will be calculated into the Institute’s cost estimate for the year in which the evaluation is conducted.

**Chapter II**

**ORGANIZATION AND OPERATION**

**Article 6.** **Organization**

The operational structure of the Institute is comprised of the Institute Council, the President and Vice President of the Institute, the Scientific Council, R&D units and other units.

**Article 7. Institute Council**

1. The Institute Council is a decision-making body for strategic development, research orientation, the organizational structuring of the Institute, the Presidential position, and the supervision of operational activities at the Institute.

2. The Institute Council shall be comprised of no more than thirteen (13) members in accordance with the following structure:

- The Minister of Science and Technology is the Chairman.

- The Deputy Minister of Science and Technology is the Vice Chairman.

- Other members include: the representatives of leaders of Ministry of Planning and Investment and Ministry of Finance, three (3) reputable scientists within the Institute’s high-priority fields; two (02) representatives of leaders from large corporations in the sectors of information technology and biotechnology, and (1) the president of V-KIST.

3. The Institute Council has a 5-year tenure. During the tenure, the Institute Council can propose to adjust the membership of the Institute Council if necessary. After each tenure, the Board of Trustees will be re-appointed with up to 50% new members. No member can participate in the Institute Council for more than two tenures in a row.

4. For the first tenure, the Institute Council shall be decided by the Prime Minister based on a proposal from the Minister of Science and Technology.

From the second tenure on the Institute Council will be organized and operate in accordance with this Regulation. The Chairman of the Institute Council shall be voted upon by the council members and approved by the Minister of Science and Technology. The Chairman and Vice Chairman of the Institute Council cannot concurrently hold the position of the President of the Institute. Members of the Institute Council are appointed by the Minister of Science and Technology.

5. Council members (excluding the President) are not paid by the Institute but can be paid through allowances from other financial resources, aside from the Government’s budget. The level of pay and/or allowance is defined in the Internal expenditure regulations of the Institute.

6. The Institute Council conducts general meetings at least twice per year and conducts extraordinary meetings when necessary at the request of the Chairman of the Council. The Institute Council works collectively and make decision by majority rule. The Board’s meetings are considered duly conducted only with the presence of at least 2/3 council members.

7. Decisions made by the Institute Council are passed only when approved by a majority vote of at least 2/3 of the council members present. The Chairman of the Council decides the voting mechanism. Meeting minutes and decisions made at the Council Meeting must be recorded and sent to all council members.

8. Roles and duties

a) Decide the strategy and orientation for operation in a 5-year period as well as make annual action plans; advise on priority directions for R&D, have comments on annual cost estimates and final accounting report of the Institute.

b) Approve the major operational structure of the Institute once proposed by the President.

c) Propose selection and dismissal of the President of the Institute to the Minister of Science and Technology for approval.

d) Approve or dismiss the Vice President if proposed by the President.

e) Supervise the entire operational activities of the Institute.

f) Issue resolutions to implement the roles and duties of the Council.

**Article 8. Chairman and Vice Chairperson of the Council**

1. The Institute Council is comprised of a Chairman and no more than two (02) Vice Chairmen.

2. The chairman of the Board convenes Board Meetings, sets the meeting agenda, chair meetings and organizes the voting. The Chairman leads and guides the implementation of the Board’s resolutions and is personally responsible before the Board and before the Minister of Science and Technology.

In case of an emergency that requires ratification by the Board but an immediate Board meeting cannot be convened, the Chairman can make decisions and then report to the council at the very next meeting afterwards..

3. The Chairman’s term of office is 05 years. The Chairman can be re-appointed for no more than two continuous terms.

4. The Vice-Chairmen assists the Chairman with the Chairman’s assignments; he/she also implements duties and powers of the Board members as defined by this Regulation.

**Article 9. President and Vice Presidents of the Institute**

1. The Institue has a President and no more than three (03) Vice Presidents.

2. The President is the legal representative of the Institute. The President is appointed or dismissed by the Board of Trustees and is approved by the Minister of Science and Technology. The President’s term of office is 05 years and can be re-appointed but not for more than two continuous terms.

3. The duties and powers of the President includes:

a) Leading, managing and overseeing the entire operational activities of the Institute following the headship regime.

b) Being responsible for the entire operational activities of the Institute before the law, Institute Council and the Minister of Science and Technology as regulated by this Regulation and other legislations.

c) Deciding the establishment, re-organization, disbandment, and defining the organization and operations of units directly under the Institute, in accordance with the resolutions issued by the Board of Trustees.

d) Deciding the number of personnel; critera for the recruitment, management, and employement of public employees and staff at the Institute; the appointment, re-appointment, employment, and relief from duties of the head and deputy heads of units under the management of the Institute.

e) Deciding the payroll and, salary-based allowances and specific preferential treatment for individuals working at the Institute, in accordance with the financial regulations and Internal spending regulations of the Institute.

f) Issuing the Internal spending regulation based on the financial regulations of the Institute.

g) Establishing external relations with organizations and individuals both inside and outside Vietnam.

h) Inviting scientists and collaborators both inside and outside Vietnam to come and work for the Institute.

i) Deciding to send the Vice President and other individuals working at the Institute out on study visits, internships, working missions, conferences and workshops, both inside and outside Vietnam.

4. The Vice President assists the President of the Institute in the assignment of working areas, is allowed to decide on affairs falling under his assigned duties, and is responsible before the President for the assigned duties. Vice Presidents of the Institute are appointed and/or dismissed by the President with approval from the Board of Trustees.

5. In the absence of the President, a Vice President will be authorized by the President to manage and oversee operational activities at the Institute.

**Article 10. Operational Structure**

1. Research Units:

a) Divison of Electronics

b) Divison of Information Technology

c) Divison of Food Technology

d) Divison of Biotechnology

e) Divison of Medical Engineering

f) Divison of Advanced Materials and Devices

g) Divison of Energy and Environmental Technology

h) Divison of IT-BT Convergence Technology

2. Future Planning and External Affairs Units:

a) Divison of Planning and Coordination

b) Divison of Technology-based Business Development

3. Administration, Management and Support Units:

a) Division of Finance and Accounting

Department of Administrative Management

b) Department of R&D\B Support

4. Other Units including centers and laboratories are established in accordance with the relevant laws.

The establishment, reorganization, disbandment, and specification of departments directly under the Institute are decided by the President of the Institute.

**Article 11. Scientific Council**

1. The Scientific Council is established by the President of the Institute and is composed of reputable scientists and researchers in Vietnam and overseas. The Scientific Council is an advisory body for the President to revise and evaluate research projects, and to provide evaluation and quality control of scientific and technological research done at the Institute.

2. The Scientific Council has no more than 13 members with a 05-year-tenure. The Vice chair of the Scientific Council are appointed by President of the Institute.

3. The Scientific Council convenes for monthly meetings and for special meetings when necessary at the request of the President of the Institute. The meetings are duly conducted only with the presence of at least 2/3 of the council members. Decisions made by the council will be passed only when approved by a majority of at least 3/4 of the council members present.

**Article 12.** **Personnel**

1. Cadres and public employees;

2. Contract-based staff;

3. Staff who hold concurrent positions, collaborators.

**Article 13. Working regime**

1. The Institute is organized and operates in accordance with the specific mechanisms defined by the Government’s Decree (No. 50/2015/ND-CP, dated May 18, 2015) on the Establishment of Vietnam - Korea Institute of Science and Technology. The research activities at the Institute will be conducted according to orders given from the Government, enterprises, organizations and individuals.

2. The Institute implements the regime of civil servants, public employees and staff working directly with leaders of the Institute, in coordination with the leadership of other unit-level heads at the Institute.

3. The Institute implements a working regime and working relationship with other agencies directly under the Ministry of Science and Technology, as stipulated in the Ministry’s working regulations and other regulations issued by the Minister.

4. The Institute is responsible for coordinating with related organizations and individuals not under the management of the Ministry, in accordance with the regulations on implementing its functions and assigned duties.

**Chapter III**

**ASSET AND FINANCE MANAGEMENT**

**Article 14. Financial resources**

1. Funding from the Government’s budget:

a) Financial support for regular operations and taxes according to the Institute’s annual cost estimation (as stipulated in Clause 2, Article 4, Decree 50/2015/ND-CP dated May 18, 2015 of the Government).

b) Counterpart funds for the Joint construction project of the Institute as recorded in the Agreement between the Government of Vietnam and the Government of Korea to be used for building modern research facilities and infrastructure at the Institute.

c) Funding for investment in project-based fundamental construction, procurement of facilities and major repair of property under the approval of a competent authority;

d) Funding for the implementation of national programs, other programs, projects; for the implementation of irregular tasks as assigned by a competent authority.

2. Revenue of the Institute:

a) Revenue from implementing scientific and technological tasks as ordered by the Government and enterprises;

b) Revenue from training activities, technology transfer and other services;

c) Revenue from manufacturing activities and business;

d) d) Revenues earned by collecting the fees, service charges according to the law on fee or charge and retained for expenditures in accordance with regulations (retained revenues used for recurrent, procurement and major repair of equipment and assets supporting the charges collection);

đ) Revenue from other legal sources.

3. Sponsorship, aid, gifts from domestic and international individuals and organizations.

Sponsorship and ODA from the Government of Korea and other countries will be considered as revenue of the Institute and will be utilized according to the agreement with the individuals or organizations under the Internal spending regulation.

4. Other financial resources, including: sinking funds from fixed asset, revenue from the disposal of fixed asset; other legal financial resources as regulated by laws.

**Article 15. Asset of the Institute**

1. The Government determines the asset and land value, then allocates it to the Instititute for management using the funding mechanisms applied to state enterprises. The Institute can use its assets for mortgage loans, capital mobilization, joint-ventures for manufacturing and commercializztion and making applications for scientific and technological research as regulated by law.

2. Scientific and technological research results and other intellectual property originated from the Institute’s implementation of scientific and technological tasks using Government budget are to be owned or utilized by the Institute as regulated by laws.

3. Annually, the Institute is responsible for making plans, cost estimations for supplemental investment, renewals of equipments and facilities, repairs and new construction and/or modernization of infrastructure to be used for scientific and technological R&D at the Institute.

**Article 16. Asset and finance management**

1. Asset and finance management

a) Financial resources, reasons for spending, spending amount, payment method, cost estimation and all asset and financial management related details must be specified in the Internal spending regulations of the Institute.

The Internal spending regulations are composed with transparency and publicity in mind. The Internal spending regulations are approved by the President of the Institute after being accepted by the Institute Council

b) The Institute has the responsibility to correctly utilize and manage its assets in light of its purpose and duties; to conserve and develop the assets allocated by the Government; to use the funding from Korea as agreed upon by both Governments, as well as the sponsors (if any); to implement the maintenance, repair and protection of assets in accordance with regulations; to keep account and asset note, to report the management and usage status of the assets allocated by the Government in accordance with the law.

2. Audit, report and publicize financial information

a) The Institute will conduct audits as stipulated by the Government in Clause 4, Article 4, Decree No. 50/2015/ND-CP, dated May 18, 2015. The auditing results must be sent to the Institute Council and the Ministry of Science and Technology.

b) The Institute shall implement the mechanims of reporting and publicizing financial information as stipulated by law.

**Chapter IV**

**TERMS OF IMPLEMENTATION**

**Article 17. Effective implementation**

This Regulation shall become effective upon the signing date.

The Institute Council and the President of the Institute shall be responsible for organizing the implementation of this Regulation.

**Article 18. Amendment and Supplement**

Any amendment and/or supplement of this Regulation shall be proposed by the Institute Council and the President of the Institute in collaboration with Director-General of the Department of Personnel and Organization for approval by the Minister of Science and Technology.

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|  | **MINISTER**  **Chu Ngoc Anh** |