

E-commerce in Vietnam



By Nguyen Hai Yen

Vietnam has been ranked 15th for Internet users internationally, however only 20 percent of those users in Hanoi and Ho Chi Minh City use the internet for online shopping¹. The Vietnam E-Commerce and Information Technology Agency (VECITA) has also estimated that the revenue from the e-commerce industry in these two major cities was US\$2.2 billion in 2013 and estimate it will be around US\$4 billion in 2015. In order to upgrade this moderate growth, the operators of e-commerce websites and e-commerce service providers must ensure to fulfill the following²:

The providers must be reliable

Individuals or enterprises who set up a website for the sale of products/services must conduct notification procedures, whereas, e-commerce service providers must have legal personality and register with VECITA. Local or foreign individuals or organisations must have his/their presence in Vietnam and, for foreign organisations, the national domain name registration “.vn” is also required.

Information published be true, sufficient, transparent and kept secret if required

One of the reasons for customers’ ignorance about e-commerce services, as reported by VECITA in 2013, is that they do not believe in the information published on e-commerce websites and they are afraid of disclosure of their personal information. Therefore, on the one hand, information needs to be published transparently by sellers to accurately reflect goods/services, price (if any), standard trading conditions, shipments and payment methods. On the other hand, in order to secure customers’ information provided in e-trading, the entities who play a role as owners of sale e-commerce websites or e-commerce service providers must secure and keep secret their customers’ information by measures such as antivirus software, firewalls and hardware.

The payment be reliable

In Vietnam, while ordering may be done online, payment in cash after delivery is still common and few purchasers have conducted wire transfers. Despite the fact, subject to the provisions of online payment on e-commerce websites, the holders of these websites have the responsibility to ensure and keep confidential payment transactions and must have a mechanism for clients to review and confirm detailed

information about each payment transaction before making the payment and storing the data for the minimum required time.

Sanction of administrative violations and criminal penalties

Before the competent authority can investigate any violating behavior by an e-commerce website, the customers, or other relevant parties, need to send a letter to VECITA. After receiving such a request, VECITA is required to reply within 15 working days in accordance with the laws of Vietnam. Upon investigation, in case the behavior is concluded to be an infringement the e-commerce license holder can be fined up to VND100 million (app. US\$5,000)³. If a fraud in e-commerce for the purpose of property appropriation is established the responsible party may be sentenced to prison from at least 3 years to 20 years based on the value of the property⁴.

Endnotes

1. Source: Internet Live Stats (<http://www.InternetLiveStats.com/internet-users/#byregion>); The report conducted by Vietnam E-Commerce and Information Technology Agency when surveying 781 people.
2. Decree No. 52/2013/ND-CP of the Government dated June 20th, 2013 on e-commerce.
3. Decree No. 185/2013/ND-CP of the Government dated 15 November 2013 providing for the sanction of administrative violations in commercial activities, production and trafficking of counterfeit goods, prohibited goods and protection of consumers’ interests.
4. Criminal Code No. 37/2009/QH12 dated 19 June 2009.

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