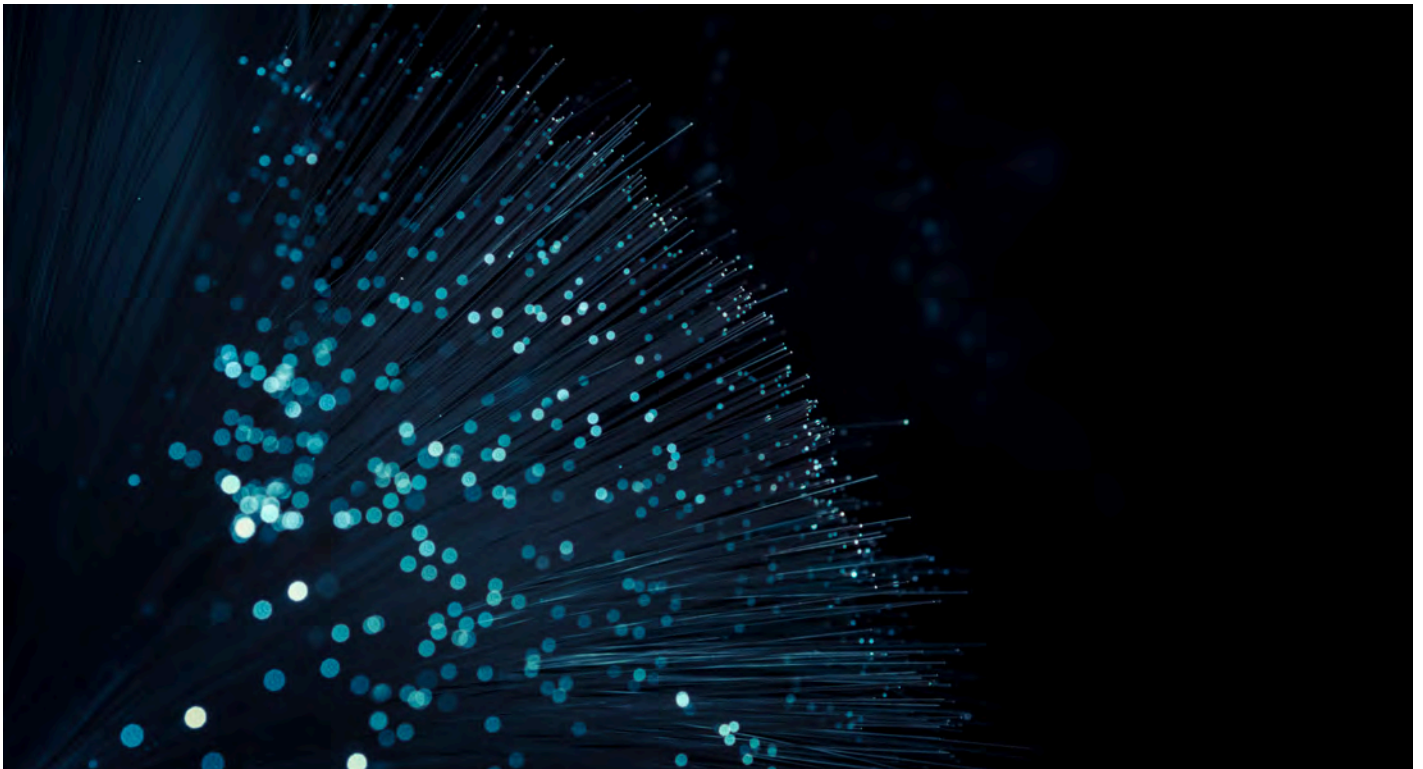


Data Laws Regulating Offshore Businesses Servicing Vietnamese Customers

Michael K. Lee¹ and Trang Nguyen²

May 2025

<https://dilinh.com/>



¹ Michael is a Partner at Dilinh Legal.

² Trang is a Senior Associate at Dilinh Legal.

Law on Data, No. 60/2024/QH15, was passed by the National Assembly on 30 November 2024 and will be effective on 1 July 2025 (“**Data Law**”). While Vietnam has many laws addressing personal data protection, the Data Law is the first-ever data law to provide a comprehensive and unified regulatory framework for managing all digital data. This article provides an overview of the impact of Data Law and other related laws on offshore businesses servicing Vietnamese customers.

1. **Scope of Application**

1.1 **Regulated Data**

The law regulates “digital data” as “*information concerning objects, phenomena, and events—expressed in digital form—such as sound, images, numbers, text, symbols, or any combination thereof.*”³ Digital data encompasses personal and non-personal data, including business information and aggregated, non-identifiable data.⁴

1.2 **Regulated Subjects**

The law applies to Vietnamese agencies, organizations, and individuals; foreign agencies, organizations, and individuals in Vietnam; and foreign agencies, organizations, and individuals “*directly involved in or related to digital data activities in Vietnam.*”⁵ “data processing” is “*the process of receiving, converting, organizing data and other data activities to serve the operations of agencies, organizations and individuals.*”⁶ Thus, almost all offshore businesses servicing Vietnamese customers should be familiar with Data Law requirements.

2. **Notable provisions**

2.1 **Data Classification**

Data owners—including agencies, organizations, and individuals—have the right to determine how their data is constructed, developed, protected, managed, processed, used, and exchanged, and **Data managers**—agencies, organizations, or individuals responsible for building, managing, operating, and utilizing data on behalf of Data owners—must classify data into three categories based on its criticality⁷:

- (a) **Core Data:** Data that has a direct impact on national defense, security, foreign affairs, macroeconomic stability, social order, public health, and safety, as defined by the Prime Minister.
- (b) **Important Data:** Data that may affect these areas (i.e., national defense, security, etc.) and is classified as such by the Prime Minister.
- (c) **Other Data:** All remaining data not falling into the above two categories is still subject to governance.

³ Article 1, Article 3.1 of Data Law.

⁴ Article 3.12, Article 3.16 of Data Law.

⁵ Article 2 of Data Law.

⁶ Article 3.8 of Data Law.

⁷ Article 3.14, Article 3.13, and Article 13 of Data Law.

2.2 Risk Management

Data managers are responsible for identifying and mitigating privacy breaches, cybersecurity threats, and access control issues. They must also respond to incidents promptly and notify any affected parties without delay. Core Data and Important Data managers must conduct regular risk assessments and report to cybersecurity authorities to ensure the security of their data.⁸

2.3 Cross-Border Data Transfer and Processing

Cross-border data activities encompass transferring data stored in Vietnam abroad, sharing data with foreign parties, and utilizing foreign platforms for data processing. Cross-border data transfer and processing are permitted, but the transfer of Core Data or Important Data abroad must comply with national defense, security, and public and personal interests, as stipulated by Vietnamese law and international treaties. The Government will provide specific regulations to implement these provisions.⁹

In addition, if the data processed and transferred cross-border is the personal data of Vietnamese citizens, Vietnam's data protection regulations will apply. Under the current Decree on personal data protection No. 13/2023/ND-CPd ("PDPD"), before transferring *personal data* located in Vietnam abroad (including using locations outside the territory of Vietnam to process the personal data of Vietnamese citizens), the data controller/data processor must submit a Data Protection Impact Assessment (DPIA) to the Ministry of Public Security (MPS).¹⁰ Furthermore, the data protection regulations might become more stringent after the Personal Data Protection Law, which the Government is currently developing, is passed by the National Assembly of Vietnam.

2.4 Operation of Data Products and Services

Providers of intermediary data products and services, as well as providers of data analysis and aggregation products and services and platform data serviced providers, must operate under service agreements, ensure continuous availability, maintain data security, and proactively manage risks. They must comply with cybersecurity, information security, and electronic transaction laws. Data transactions are prohibited if they pose a threat to national security, lack the consent of the data subject, or are subject to legal restrictions.¹¹

Except for internal use, providers of "data intermediary products and services" must register their operations and comply with the laws on investment.¹² "Data analysis and aggregation providers" must also register their operations and comply with laws on investment if their activities pose a risk to national security, public order, ethics, or public health.¹³ In other words, if the said conditions are triggered, service providers must obtain foreign investment approval and establish a subsidiary in Vietnam.

⁸ Article 25 of Data Law.

⁹ Article 23 of Data Law.

¹⁰ Article 2.14, and Article 25 of PDPD.

¹¹ Article 43, and Article 42.3 of Data Law.

¹² Article 40.2 of Data Law.

¹³ Article 41.2 of Data Law.

Data Law defines “data intermediary products and services” as products and services that aim to establish commercial relationships between data subjects, data owners, and users of products and services through agreements to exchange, share, access data, and exercise the rights of data subjects, data owners, and data users.¹⁴ This definition is similar to the definition of “data intermediation service” under the European Union’s Digital Governance Act (DGA).

Only public institutions or state-owned enterprises with permits may offer data platform services.¹⁵

3. Impact of Other Relevant Laws on Offshore Businesses Servicing Vietnamese Customers

3.1 E-commerce Activities Triggering Local Presence and/or Registration Requirement

An e-commerce service is “an e-commerce activity in which a trader sets up e-commerce websites to provide an environment for other traders, organizations, and individuals to conduct trade promotion activities, sell goods, or provided services.” For example, Amazon and E-bay are e-commerce services underd Vietnamese law. E-commerce platforms are websites that (i) allow merchants tod set up virtual sales booths, (ii) allow merchants to create accounts with theird customers for contract performance, (iii) host a section for posting goods ord services for sale, or (iv) are social networks facilitating such activities with directd or indirect user payments.”

Foreign traders with websites providing e-commerce services must register withd Vietnam’s Ministry of Industry and Trade (MOIT) and establish a local presence ifd they (i) use a Vietnamese domain, (ii) display content in Vietnamese, or (iii)d exceed 100,000 annual transactions from Vietnam. Foreign businesses can meetd the local presence requirement by establishing a representative office in Vietnamd or appointing an authorized representative.

3.2 Personal data protection regulations

If offshore businesses servicing Vietnamese customers involve processing theird data, the Vietnam personal data protection regulations will apply.

¹⁴ Article 40.1 of Data Law.

¹⁵ Article 42.2 of Data Law.

CONTACT

Dilinh Legal

1F 139 Hai Ba Trung Street
Vo Thi Sau Ward, District 3
Ho Chi Minh City, Vietnam
<https://dilinh.com/>
contact@dilinh.com

(Dee) Diep Hoang

Partner
M: [+84] 947 406 026
diep.hoang@dilinh.com

Michael K. Lee

Partner
M: [+84] 902 727 935
michael.lee@dilinh.com

