



3 September 2021

Comments on Proposed Amendments to Draft Decree 72

Submitted electronically to the Ministry of Information and Communication

The Global Data Alliance (**GDA**)¹ welcomes this opportunity to provide our comments to the Ministry of Information and Communication (**MIC**) on the proposed amendments to Decree 72 on the Management, Provision and Use of Internet Services and Online Information (**Decree 72**). While member companies may have interests and concerns on a range of issues raised in draft Decree 72, the GDA is focused on policies related to cross-border data transfers. Accordingly, this letter addresses those provisions that are relevant to cross-border data transfers.

The GDA is a cross-industry coalition of companies, headquartered in different regions of the world, that are committed to high standards of data privacy and security, and rely on the ability to transfer data responsibly around the world to improve lives, create jobs, and make local industries more competitive. They recognize that today's cross-border economy depends on the trust of regulators, consumers, and the general public. A forward-leaning policy on cross-border data transfers, which is interoperable with international frameworks, is a particularly effective tool which can help policymakers drive innovation, enhance quality of life, increase employment, and create other economic and societal benefits.

The ability to transfer data, including personal data, across international borders is the lifeblood of the modern digital economy. Members of the GDA represent sectors as diverse as agriculture, healthcare, manufacturing, and banking — and we are united in the need to send data across international borders to provide people and their communities with the information, products, and services they need. Indeed, the ability to send data across borders is vital not just to businesses, but also to consumers and workers. For example, in their professional lives, people transfer data whenever they send emails to colleagues, manage staff and budgets, attend videoconferences, and in thousands of other routine business activities. In their personal lives, people transfer data across borders whenever they engage in e-commerce or use messaging platforms to stay in touch with friends and relatives overseas. Certain health-related conditions may also be better treated through healthcare technologies and treatment that are delivered virtually from different parts of the world and this needs to be supported by reliable and secure data transfers across borders.

¹. The Global Data Alliance ([globaldataalliance.org](https://www.globaldataalliance.org)) is a cross-industry coalition of companies that are committed to high standards of data responsibility and that rely on the ability to transfer data around the world to innovate and create jobs. Alliance members are headquartered across the globe and are active in the advanced manufacturing, aerospace, automotive, consumer goods, electronics, financial services, health, media and entertainment, natural resources, supply chain, and telecommunications sectors, among others. BSA | The Software Alliance administers the Global Data Alliance. For more information on the Global Data Alliance, please see: <https://www.globaldataalliance.org/downloads/aboutgda.pdf>

Data localization requirements, such as those contemplated in Decree 72, pose a major disruption to companies' operations and make it costlier to provide services in Viet Nam. Currently, many Vietnamese enterprises and startups rely on offshore software-enabled (or information technology) services to (1) improve security, (2) ensure quality control, and (3) access innovative services in data analytics, machine learning, and the Internet of Things. Data localization requirements effectively deprive end-users, particularly SMEs, in Viet Nam of these and other advanced services and put them at a competitive disadvantage compared with companies in other countries.

We therefore strongly recommend that MIC revise the restrictive approach in Decree 72 regarding international data transfers, which is out of step with global norms and threatens to undermine the ability of businesses in Viet Nam to provide products and services that rely on data. Accordingly, we urge that the measures as outlined in Article 22.3(d) and Article 44h.5 be removed. Such data localization requirements will cut off Vietnamese companies from the services they are already using to serve customers, causing significant technical and practical disruption to their services and business models. Further, foreign organizations providing digital information on their international platforms targeting an international audience (not specifically targeting users from Vietnam) should be exempt from these requirements.

We appreciate the opportunity to share these views and hope that they will be helpful as MIC considers revisions to Decree 72 so that it can improve the regulation of digital services while promoting a safe online environment in Viet Nam.

Please do not hesitate to contact us with any questions regarding this submission.

Sincerely yours,

A handwritten signature in cursive script that reads "Eunice Lim".

Eunice Lim
Senior Manager, Policy
Global Data Alliance