



September 26, 2025

## **GLOBAL DATA ALLIANCE COMMENTS ON VIETNAM DRAFT CYBERSECURITY LAW**

**Respectfully to: The Ministry of Public Security and Ministry of Justice**

The Global Data Alliance (**GDA**)<sup>1</sup> appreciates the opportunity to provide feedback on the Draft Cybersecurity Law of Vietnam to the Ministry of Public Security (**MPS**) and the Ministry of Justice (**MOJ**). To avoid unintended harms, the GDA recommends that Vietnam explore alternative approaches to the data localization mandates proposed in the law.

The GDA has provided comments on numerous Vietnamese proposed requirements to localize data or restrict data transfers. Those comments can be found [here](#).<sup>2</sup>

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. The GDA supports policies that help instill trust in the digital economy without imposing undue cross-border data restrictions or localization requirements that undermine data security, innovation, economic development, and international trade.

GDA member companies are significant investors in Vietnam, investing millions of dollars and supporting thousands of jobs. Data transfers enable the digital tools and insights that are critical to enabling entrepreneurs and companies of all sizes, in every country, to create new kinds of jobs, boost efficiency, drive quality, and improve output.

As the Government of Vietnam considers revisions to the Cybersecurity Law, we wish to provide our recommendations to enhance the effectiveness of the legislation, reduce unnecessary impacts on businesses, and better align the legal framework with international practices. Failure to do so could negatively impact the ability of Vietnamese enterprises and other organizations for developing and adopting cutting edge digital technologies, including cloud computing and artificial intelligence.

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<sup>1</sup> For more information on the Global Data Alliance, please see [www.globaldataalliance.org](http://www.globaldataalliance.org)

<sup>2</sup> See Global Data Alliance, GDA Comment to the Government of Vietnam (2020 – 2025), at: [https://globaldataalliance.org/resources-results/?pub\\_type=resource-filings&location=loc-vietnam&sector=&language=&posts\\_filtered=1](https://globaldataalliance.org/resources-results/?pub_type=resource-filings&location=loc-vietnam&sector=&language=&posts_filtered=1)

## Data Localization Requirements

Article 16.3 requires “domestic and foreign enterprises providing services on telecommunications networks, the Internet, and additional services in cyberspace in Vietnam that collect, exploit, analyze and process data on personal information, data on relationships of service users, data created by service users in Vietnam must apply data protection measures in accordance with the provisions of law and store this data in Vietnam for the period prescribed by the Government.” We are concerned that the broad definitions of enterprises and data types that must be stored in Vietnam amount to data localization requirements and create barriers to cross-border data transfers. We are also concerned that there is a requirement for foreign enterprises to establish branches or representative offices in Vietnam as this implies the localization of personnel.

Cross-border data transfers underpin the global economy and are vital to the security of networks and information systems. Data localization requirements do not ensure information security and are likely to have the opposite effect of reducing information security instead. Such requirements can frustrate efforts to implement effective security measures, protect data, and defend critical networks, just as they can impede business innovation and limit services available to consumers.

As noted in our previous submissions, restrictions on cross-border transfers have a chilling effect on the local economy as they restrict domestic enterprises and other organizations from fully benefiting from cutting edge technology and services available in the global marketplace. For instance, restrictions on cross-border data transfers may prevent domestic companies, including small and medium-sized enterprises (**SMEs**) and larger organizations such as hospitals, airlines, and banks, from using world leading information technology and cloud computing solutions from service providers that offer their services from outside of Vietnam. Such services frequently provide best-in-class security capabilities. Domestic companies subject to data transfer restrictions are likely to find it difficult to access such services, reducing their competitiveness, especially internationally, and exposing them to greater data security risks. Restrictions on international data transfers are also resource-intensive for government authorities to manage.

It is inadvisable to require localization of broad categories of data that could include any type of personal and non-personal data, proprietary information, etc., that is commonplace in everyday business operations. Such data is unlike the type of highly sensitive government data that implicates national security concerns (e.g., in a classified military or intelligence-focused context). Accordingly, we urge Vietnam to avoid the imposition of unnecessary or arbitrary restrictions on cross-border data transfers, given Vietnam’s relatively high restrictiveness score on international indices of cross-border data transfer policies.<sup>3</sup> Vietnam’s regulatory efforts should focus on enabling cross-border data transfers in the digital economy – consistent with Vietnam’s treaty commitments, such as under Article 12 of the WTO Agreement on E-Commerce to seek to “facilitate public access to and use of government data” and Article 14.11 of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (**CPTPP**) – while considering a more nuanced approach towards data governance at the same time, that does not impinge its national security and public policy objectives.

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<sup>3</sup> See Global Data Alliance, *Cross-Border Data Policy Index* (2023), at: <https://globaldataalliance.org/resource/cross-border-data-policy-index/>

**Recommendation:** Remove the requirement within Article 16.3 for covered enterprises to store data on personal information, data on relationships of service users, and data created by service users in Vietnam. If the MPS wishes to retain the data localization requirements against our recommendation, we recommend that the MPS clarify that requirement to store data in Vietnam does not (a) stop the enterprise from transferring the data overseas for legitimate purpose, nor (b) prevent the enterprise from using cloud-based services that do not or cannot store data in Vietnam as part of their services. Foreign enterprises should also not be required to establish a branch or representative office in Vietnam to serve the Vietnam market.

Sincerely,

Joseph P. Whitlock  
Executive Director  
Global Data Alliance  
[josephw@bsa.org](mailto:josephw@bsa.org)