



CONSUMER PROTECTION

UPDATE

July 15, 2024

*Some new points of the 2023
Consumer Rights Protection Law*

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Some new points of the 2023 Consumer Rights Protection Law

From July 1, 2024, the 2023 Consumer Rights Protection Law officially takes effect with several notable new points as follows:

Amending and supplementing the responsibilities of business entities and individuals towards consumers

The 2023 Consumer Protection Law amends and supplements several responsibilities of business entities and individuals related to the collection, storage, and usage of consumer information such as:

- Establish rules on protecting information that apply to all consumers regarding (i) purposes of information collection; (ii) the scope of information usage; (iii) the information retention periods; and (iv) measures to protect information and ensure the safety of consumer information. Additionally, these details must be prominently displayed at the headquarters, business locations, and published on the electronic information page or application software (if any) of business entities and individuals (Clause 1, Article 16).
- Provide clear and public notification in a manner suitable for consumers regarding the purpose, scope of collection, information usage, retention period, and must obtain

consumer consent. Simultaneously, establish clear methods for consumers to select the scope of information they agree to provide and express consent or refusal (except for specific cases as stipulated by law) (Clause 1, Clause 2 Article 17).

- Implement measures to prevent acts of (i) stealing or illegally access to information; (ii) unauthorized use of information; and (iii) unauthorized modification, updating, or deletion of information. In cases where information systems are attacked, leading to risks of compromising the safety and security of consumer information, business entities and individuals, or information storage entities must notify the competent state management authority within 24 hours from the time of detecting the information system attack and take necessary measures to ensure the safety and security of consumer information (Article 19).

Supplementing regulations on specific transactions

The 2023 Consumer Rights Protection Law supplements in Article 3 the concepts

of specific transactions (“giao dịch đặc thù” in Vietnamese), including: (i) distance transactions (“giao dịch từ xa” in Vietnamese); (ii) continuous service provision (“cung cấp dịch vụ liên tục” in Vietnamese); and (iii) direct sales (“bán hàng trực tiếp” in Vietnamese) between business entities and individuals and consumers. The 2023 Consumer Rights Protection Law also supplements regulations regarding the responsibilities of business entities and individuals for each type of these specific transactions.

a. Regarding the form of distance transactions

The 2023 Consumer Rights Protection Law clarifies the concept of distance transactions compared to the provisions on distance contract as stipulated in Decree No. 99/2011/ND-CP detailing and guiding the implementation of certain provisions of the 2010 Consumer Rights Protection Law (“Decree 99/2011/ND-CP”). Accordingly, a distance transaction is a transaction conducted online, via electronic means, or other means where the consumers do not have the opportunity to inspect or directly interact with the products, goods, or services before participating in the transaction.

For this type of transaction, the 2023 Consumer Rights Protection Law supplements the responsibilities of business entities and individuals in

developing tools and implementing measures to ensure (i) accurate and complete provision of contract terms for consumers to review before entering into contracts; (ii) consumers' exchange, clarification of contract terms, and confirmation of agreement to enter into contracts; and (iii) consumers' ability to review and download contracts with confirmed signatures.

b. Regarding the form of continuous service provision

The 2023 Consumer Rights Protection Law retains the understanding of the concept of continuous service provision compared to the concept of continuous service provision contracts as stipulated in Decree 99/2011/ND-CP. Specifically, continuous service provision involves providing services with a duration of 3 months or more, or services without a specified duration.

For this type of transaction, the 2023 Consumer Rights Protection Law supplements the responsibilities of business entities and individuals concerning public notification of their legal representatives in Vietnam. In cases where there is no legal representative in Vietnam, they must appoint an authorized representative in Vietnam and publicly notify announce this authorized representative in Vietnam.

c. Regarding the form of direct sales

The 2023 Consumer Rights Protection Law amends and supplements the concept of direct sales compared to the concept of doorstep sales as stipulated in Decree 99/2011/ND-CP. Specifically, direct sales involve business entities and individuals actively approaching consumers, introducing products, goods, or services for sale or supply to consumers in the form of (i) doorstep sales; (ii) multi-level sales; and (iii) sales at irregular locations.

For doorstep sales and multi-level sales, the 2023 Consumer Rights Protection Law generally retains the regulations on responsibilities of business entities and individuals participating in these activities as stipulated in Decree 99/2011/ND-CP and Decree 40/2018/ND-CP regarding the management of multi-level business operations.

For sales at irregular locations, the 2023 Consumer Rights Protection Law supplements provisions requiring business entities and individuals selling products, goods, or providing services at irregular locations with a total value exceeding VND 10 million to fulfill the following responsibilities:

- Notify the commune-level People's Committee where the sales of products, goods, or provision of services are organized before conducting the activities;
- Publicly display information about the

organization and individual in business, and products, goods, or services at the sales location;

- Maintain contact information to address consumer feedback, requests, and complaints during and after the sale or provision of products, goods, or services; and
- Accept returns of products, goods, or services within 30 days from the sale or provision date, provided that the packaging, product labels, tags (if any) are intact and within the expiration date.

Supplementing regulations on standard form contracts

The 2023 Consumer Rights Protection Law supplements several provisions regarding standard form contracts as follows:

- The form of the contract must comply with civil law and other relevant legal regulations. Additionally, the 2023 Consumer Rights Protection Law stipulates that standard form contracts must include certain basic terms such as termination of the contract and resulting liabilities, force majeure cases, execution date, contract duration.
- Standard form contracts must not stipulate terms allowing business entities and individuals to (i)

unilaterally change prices; (ii) impose disadvantageous penalties on consumers for breaches or contract termination; (iii) require consumer consent for data collection, storage, and use as a condition for contract execution or a condition for general transaction, except where otherwise provided by law, etc.

In addition to the above, the 2023 Consumer Rights Protection Law amends and supplements several provisions concerning (i) supplementing the scope of application of the 2023 Consumer Rights Protection Law to include the Vietnam Fatherland Front and socio-political organizations and socio-political-professional organizations, and social organizations, and socio-professional organizations involved in protecting consumer rights; (ii) supplementing definitions and responsibilities for influential individuals; and (iii) supplementing vulnerable consumer groups and mechanisms to protect their rights, etc./.