Client Update: Vietnam

2024 JULY



Technology, Media & Telecommunications

Decree No. 55/2024/ND-CP Guiding the Law on Consumer Rights Protection

Introduction

On 16 May 2024, the Government issued Decree No. 55/2024/ND-CP ("**Decree 55/2024**") guiding certain articles of the Law on Consumer Rights Protection (click <u>here</u> for our earlier Legal Update on this law). The decree came into effect from 1 July 2024 together with the Law on Consumer Rights Protection.

This Update provides a high-level summary of the key provisions introduced by Decree No. 55/2024.

Influencers

The Law on Consumer Rights Protection regulates **influencers** for the first time, and requires them to inform consumers as to whether they are being sponsored to provide information about their products, goods or services. Influencers also have certain responsibilities concerning the content that they convey.

Decree 55/2024 provides clarity as to who are the influencers for this purpose. Influencers are experts or persons who have reputation or publicity in a specific field, industry, or profession, and sponsored by a trader in any form to use the image, advice, or suggestion of such person to promote trade or encourage consumers to purchase or use their products, goods, or services. They specifically include:

- (a) persons with qualifications, expertise, and experience in a specific field, industry, or profession or who are recognised by competent agencies and organisations;
- (b) persons with meritorious services, contributions, or reputation in the society or a specific field, industry, or profession, or recognised by competent agencies and organizations; and
- (c) persons who are notified by society, have a significant number of people interested and following on the media, or have accounts that are eligible to participate in advertising and business programs on digital platforms.

"Large Digital Platforms"

Decree 55/2024 elaborates regulations that apply to "large digital platforms". These are platforms that facilitate electronic e-transactions, established and operated for business activities in cyberspace, and

Client Update: Vietnam

2024 JULY



Technology, Media & Telecommunications

either (i) have at least 3,000,000 active user accounts annually in Vietnam or (ii) are classified as large or very large intermediary digital platforms under electronic transaction laws.

These "large digital platforms" will be subject to transparency requirements concerning how they display the priority of products, goods and services during searches. They also need to comply with information reporting obligations to the state authorities, including the Vietnam Competition Commission.

Further Consumer Contract Requirements

Decree 55/2024 provides for additional visual requirements concerning contracts that are entered into with consumers. This includes a requirement for such contracts to have the following:

- (a) minimum font size of 12 in Times New Roman or equivalent size (for contracts on paper);
- (b) contrasting font colour and background colour representing the text content;
- (c) a text layout and design that is clear and easy to follow; and
- (d) content that is clear, easy to understand and complies with legal regulations on protecting consumer rights.

Model Contracts and General Trading Conditions

Decree 55/2024 sets out the detailed procedures for registering model contracts and general trading conditions. The types of contracts that fall into this category are prescribed by the Prime Minister, and generally include essential goods and services (e.g., basic telecommunications services).

The decree prescribes the statutory forms for registration, processes, and timelines for the registration.

Handling Defective Goods

In line with the new classification and refined methods for handling defective goods (e.g. product recalls) under the Law on Consumer Rights Protection, Decree 55/2024 sets out more specific timelines and public notification requirements for traders that supply defective goods.

For "Group A" products/goods, traders need to disclose and announce information about defective products/goods and their recall within three working days from the date on which the defect is discovered or upon the relevant authorities' request. For "Group B" products/goods, the timeline is five working days.

Client Update: Vietnam

2024 JULY



Technology, Media & Telecommunications

Before a recall is carried out, traders need to report to the state authorities. The statutory forms, processes and timelines relating to such reporting obligation are set out in Decree 55/2024.

Publication of Violators

Decree 55/2024 includes a mechanism by which traders that violate the law on consumer rights protection in cyberspace will be publicly announced on mass media, displayed at headquarters and posted on the web portal of ministries, ministerial-level agencies, and provincial-level People's Committees.

The announcement will include the identity of the violating trade, the acts and type of violation, and the decision on handling the violation by the authorities.

The timeline for announcing violations is 30 days from the date of violation.

Further Information

Please feel free to reach out to our contact partners should you have queries on the above development.

Client Update: Vietnam 2024 JULY



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Client Update: Vietnam 2024 JULY



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Client Update: Vietnam 2024 JULY



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