

# **Legal Update**

February 2025

## **Understanding Vietnam's New Internet Regulations: Key Updates and Compliance Requirements**

On 9 November 2024, the Government of Vietnam issued Decree No. 147/2024/ND-CP ("**Decree 147**") which supersedes the previous Decree No. 72/2013/ND-CP dated 15 July 2013 on management, provision, and use of internet services and online information ("**Decree 72**") guiding regulations on the same topic in various laws such as Cybersecurity Law, Cyberinformation Security Law, etc. Decree 147 takes effect from 25 December 2024.

The following are some of the key differences between Decree 147 and Decree 72:

#### 1. Cross-border provision of information

Decree 147 specifies stringent requirements for offshore service providers, particularly those offering public information on a cross-border basis that (i) lease data storage in Vietnam or attract 100,000 or (ii) have total monthly visits from Vietnam of 100,000 or more for six consecutive months. Accordingly, offshore service providers, including offshore social network service providers and offshore app store service providers must comply with various obligations when providing public information services that satisfy the two conditions mentioned above in Vietnam including, among others, the following:

- Notify the Ministry of Information and Communications ("MIC") of their contact information
  within 60 days from the date of leasing space for data storage in Vietnam or reaching the
  100,000-visit threshold. Of note, only cross-border providers who have notified the MIC of
  their contact details are permitted to offer livestream and revenue-generating services in
  Vietnam.
- Inspect, monitor and remove infringing content and services per requests from state authorities and service users within strict timelines and procedures
- · Take child protection measures such as displaying content warnings
- Authenticate social network user accounts using Vietnamese mobile number or ID number
- Submit annual and ad-hoc reports to the MIC

In addition, cross-border service providers in telecom, internet, web hosting, data center, and telecom application services are subject to certain reporting and content control requirements in accordance with Decree 147.

#### 2. Online game services

Decree 147 reinforces the longstanding restriction by the Vietnamese Government on the cross-border provision of online game services. Accordingly, foreign organizations and individuals must establish a company in Vietnam to provide online game services to Vietnamese users.

Notably, Decree 147 introduces a new content rating system, including a 16+ category for games suitable only for individuals aged 16 and above. This is part of the government's efforts to control the suitability of game content and ensure greater protection for younger users.

#### 3. Social network services

Offshore social networks are a type of service that provide public information across borders. When the provision of offshore social networks meets certain thresholds, it is subject to specific obligations outlined in Item (1).

Regarding the provision of domestic social networks, Decree 147 still requires service providers to obtain (i) a licence for social network provision to provide social networks with large unique visitors (i.e. having total visits of at least 10,000 per month or having at least 1,000 active users per month) and (ii) a certificate of notification of social network provision to provide social networks with small unique visitors).

#### 4. Stringent management of online information

Decree 147 formally affirms the primary authority of the MIC and the Ministry of Public Security to regulate online content. These entities possess the power to instruct both local and international internet access providers, telecommunications service providers, hosting providers, and relevant entities to block or remove illegal content, services, and applications. Additionally, they are authorized to impose penalties for any instances of non-compliance.

#### Conclusion

Decree 147 will have a substantial impact on both onshore and offshore service providers operating within the public information sector. Consequently, service providers may encounter challenges in adapting to these new regulations, as they are required to comply strictly with various compliance obligations when offering public information to Vietnamese users. Nevertheless, the long-term benefits of this regulation are considerable, as it establishes a framework that enhances privacy and security within the national cyberspace.

If you have any questions or require any additional information, please contact Ms. Bui Thi Thanh Ngoc – Partner, <u>KPMG Law in Vietnam</u>.

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### **Contact us**

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