

# THE NEWSLETTER

## DIGITAL SECTOR COMMITTEE

### NEWSLETTER NO. 03/2022 HIGHLIGHTS

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### WELCOME NEW BOARD TENURE 2022-2023



Mr. Pavel Poskakukhin  
Co-Chair  
Deloitte Vietnam



Mr. Bruno Sivanandan  
Co-Chair  
Credify Vietnam



Mr. Eunjung Han  
Vice-Chair  
Rouse Vietnam



Mr. Alexandre Sompheng  
Treasurer  
Havas Group

### Message from the Co-Chairpersons

#### Mr. Pavel Poskakukhin

"I would like to express my appreciation to the Digital Sector Committee for supporting me in my new role. In the last year and beyond the committee has gone from strength to strength in working with the authorities in advocating the priorities of European business in the Vietnamese economy. There is consistent dialogue and progress being made across various ministries on the topics outlined in position papers, seminars and the Whitebook. The EuroCham team has ensured the committee is run smoothly and members are aware of the events and activities we organise and participate in. It is my pleasure to be able to step up my involvement to grow the Digital Sector Committee focusing on members and activities to build our base for technology and technology-related companies in the EuroCham. Thank you for your continued support and looking forward to hearing from you!"

#### Mr. Bruno Sivanandan

"It is with great pleasure that I saw Pavel elected as a co-chair as I know he will enable the DSC to reach a new level. Vietnam is undergoing a daunting transformation of its economy, addressing the key challenges of an equitable digital transformation inclusive of the entire population, and concomitant to the sustainability goals that are essential to its future. The Digital Sector Committee must fit in this agenda! We will continue sharing our insights with the Vietnamese government as European businesses, especially as the regulation around the digital economy is being rolled-out. The Personal Data Protection Decree, Decree 72 on Internet regulation, the Law on E-Transaction along with sector-specific laws are shaping the business environment for the entire economy. Our role is to participate in constructing sensible policies for Vietnam, its businesses and its citizens."

### **On 13 May: Mr. Bruno Sivanandan met the EU delegation: E-commerce in the EVFTA context**

Europe and Vietnam are both going through a period of essential transformation about the regulation of their digital economy. Europe with the GDPR, DSA, DMA, Data Governance Act, IT security act etc. Vietnam with the Cyber Security Law, Decree 72, Law on E-transaction, PDPD etc. The regulators are catching up to ICT and now display a will to control what is going on in the digital world.

In the context of the EVFTA, this translates into the following points: Recognition of certificates; Liability of intermediary service providers; Protection of the consumers.

We need to ensure the compatibility of the European and the Vietnamese regulations going forward! The Digital Sector Committee is endeavouring to maintain strong links with the relevant government bodies on the Vietnamese side. In addition, this meeting with the EU delegation representative aims at ensuring the right legal and political support from the European side. It is essential to bring the two-part.

### **On 25 May: Mr. Bruno Sivanandan attended as Speaker at Webinar: Digital Skills in ASEAN: What will it take to bridge the talent gap?**

On 25 May, Mr. Bruno spoke at Webinar: Digital Skills in ASEAN: What will it take to bridge the talent gap? which was organised by EuroCham Singapore. The need for ASEAN digital workforce is growing across the region with diverse challenges from one country to the next. The Covid pandemic has accelerated the digital transformation of ASEAN economies, providing opportunities for multinational, but also for startup tech companies making ASEAN one of the top tech ecosystems globally.



In this 2-hour session hosted by EuroCham Singapore, Mr. Bruno and other talent development professionals and European Chambers of Commerce from Malaysia, Philippines and Singapore highlighted:

- The challenges and opportunities for European companies operating in ASEAN. What will it take to bridge the digital skills gap in ASEAN? And do the European companies have the expertise to overcome this gap?
- Europe has been one of the major investors in ASEAN tech economies and European companies are valued for their workforce development capability.
- Europe has provided a model for corporate-education partnerships through internship and applied research. Europe also has been a positive force in ASEAN on issues of data privacy, fair work practices and investments in human development.

**On 5 June: Mr. Pavel Poskakukhin attended the fourth Vietnam Economic Forum with the theme: "Building an independent and self-reliant economy associated with deep economic integration in the new situation"**

On 5 June, the Party Central Committee's Economic Commission, the Vietnamese government, and the Ho Chi Minh City People's Committee welcomed government authorities, diplomatic officials, business reps and experts to the fourth Vietnam Economic Forum in Ho Chi Minh City. Its purpose was to discuss opinions and viewpoints to be considered for the Party Central Committee's drafting of future socio-economic policies under the theme of "Building an independent and self-reliant economy associated with deep economic integration in the new situation".



Mr. Pavel Poskakukhin shake hand with Vice-Chairman of Ho Chi Minh City People's Committee H.E Mr. Vo Van Hoan

Several seminars were held within the framework of the forum, with Mr. Pavel Poskakukhin attending the morning session at Seminar: Technological Innovation, Digital Transformation and Supply Chain Diversification. The core, unique and different nature of Vietnam in the development of the digital economy and digital society is to bring the activities of people and businesses to the digital environment using Vietnamese digital platforms. A high-level seminar was held in the afternoon with participation from party and state leaders, including H.E. Prime Minister Pham Minh Chinh that discussed Vietnam's role in the global economy, major trends in international economic cooperation, and many other topics.



**On 10 June: Mr. Pavel Poskakukhin moderated EuroCham's Business Luncheon themed: "Leveraging Artificial Intelligence: The Future of Banking and Financial Services in Vietnam".**

On 10 June, EuroCham Hanoi organised its second business luncheon themed: "Leveraging Artificial Intelligence: The Future of Banking and Financial Services in Vietnam". The event, moderated by Mr. Pavel Poskakukhin – Co-Chairman of EuroCham Digital Sector Committee, welcomed nearly 40 participants who are business representatives in various sectors.

Artificial Intelligence (AI) is a potential dynamic tool which can bring about lots of benefits for the applying organization. The emergence of AI has brought a transformation to financial services in a new and multidimensional context. These technologies will help banking systems to automate their processes, improve operational efficiency, enhance customer experience, and ultimately increase revenue. However, the way to AI application for financial service sectors in Vietnam still confronts certain challenges such as cyber-attacks, complicated transformation process, lack of human resources, etc.

### ADVOCACY UPDATES

#### **The Digital Sector Committee commented on the Draft Law on E-Transaction (Amended) with a Position Letter to the Ministry of Communication and Information**

The Ministry of Information and Communication ("MIC") recently released the Draft Law on E-Transactions, which will supersede the Law on E-Transaction 2005, for public comments. Accordingly, the Digital Sector Committee submitted a letter to the MIC together with specific comments and suggestions on the Draft Law on E-Transaction ("Draft Law").

Our recent submission expressed our appreciation of the Vietnamese Government's ongoing efforts to develop legal frameworks that match actual needs and ensure regulations are in keeping with developments in the fast-changing digital transformation landscape, support the promotion of information technology applications, promote electronic transactions, contribute to improving the efficiency of socio-economic development and apply science and technology to administrative reform.

We went on to convey the Digital Sector Committee's core objectives of ensuring the compatibility of the Draft Law with international best practice and enforceability to further foster the local digital economy and a favourable business environment for European investors and enterprises in Vietnam as well as bring benefits to Vietnamese consumers. With that in mind, we proposed the following approaches:

- Consider the Draft Law's approach on additional obligations for large digital platforms
- Address potential duplication/overlap with existing laws and overly broad definitions for the avoidance of confusion and compliance-related issues
- Inclusion of an additional article in the Draft Law to provide a clear transition period.

Based on the above points, the Digital Sector Committee made specific recommendations to the MIC such as the provision of more precise definitions in the regulation (e.g., what constitutes a "large digital platform" or a "dominant digital platform"). Definitions leaving too much room for interpretation may obfuscate the scope of the entities and activities intended to be covered under the law. This creates confusion and legal uncertainty for both Vietnamese and foreign businesses and makes compliance both overly complicated and costly, without a tangible matching benefit to consumers in Vietnam.

Additionally, a coherent regulatory landscape will lay the ground to the compatibility between Vietnamese laws and their equivalent in different regions. For example, a European business operating in Vietnam would have to comply with the Vietnamese and the European regulations. We must avoid any incompatibility, or unclarity that would raise unnecessarily complex, or even prohibitive compliance costs.