

THE NEWSLETTER

DIGITAL SECTOR COMMITTEE

Message from the Chairman

Mr. Bruno Sivanandan

"The Digital Sector Committee is taking part in the construction of the regulatory framework that is much needed for the new technologies of communication. This is of utmost importance since it transverses all industry in our economy. Our group aims at gathering the insights from industry experts, sustaining a dialogue with the Vietnamese authorities, while fostering the most suitable business environment in Vietnam. Our Sector Committee is now more active than ever. Our recent enrollment in the Vietnam Business Forum, where our advocacy is paired with that of peers in other chambers of commerce, is but one illustration of our growing momentum. In this context, I would like to welcome more members in participating to this enriching venture"

NEWSLETTER NO. 02/2022 HIGHLIGHTS

Message from the Chairman

Media Coverage

Advocacy work

On March 25th:

EuroCham's Digital SC Chairman Bruno Sivanandan highlighted on Vietnam's National Assembly's TV News.

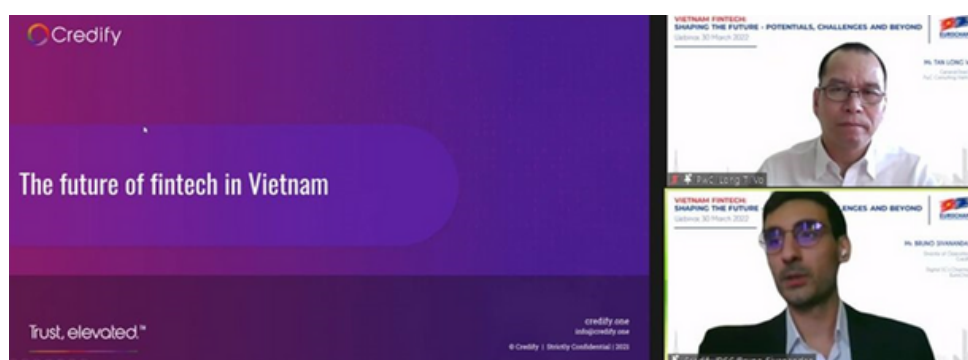
Mr. Sivanandan was interviewed on the regulation of the tech giants, which Vietnam is currently issuing. More specifically, he drew a parallel with the regulation the European Union is currently rolling out, amid the recent Facebook scandals triggered by Ms. Frances Haugen. The European Digital Service Act (DSA) and Digital Market Act (DMA) sitting on top of the GDPR, narrow down the concept of "gatekeepers" and lay out new boundaries for their regulation. Ensuring fair competition, auditability of the systems and a safe environment for users to thrive, are the ambitious objectives of those new texts. Similarly for Vietnam, the challenge lies in harvesting the benefits the tech giants bring to the economy, as commercial and social platforms, while providing fair rules to protect the users.



Chairman Bruno Sivanandan highlighted on Vietnam's National Assembly's TV News.

On March 30th: Vietnam Fintech: Shaping the Future – Potentials, Challenges, and Beyond

2021 was a leap year for the Vietnamese Fintech market, demonstrating the country's great potential. In 2021, Vietnam attracted \$375 million in fintech funding, ranking third in ASEAN and accounting for 11 percent of the six major ASEAN economies. The Vietnamese government is also pushing forward a regulatory sandbox for fintech banking and cashless payments to support the development of the local fintech scene. On 30 March 2022, EuroCham organized a webinar on “Vietnam Fintech: Shaping the Future – Potentials, Challenges and Beyond” with presentations by Mr. Bruno Sivanandan, Director of Operations at Credify and Chairman of EuroCham’s Digital Sector Committee; as well as General Director of PwC Consulting Vietnam Mr. Vo Tan Long.



Mr. Bruno Sivanandan presented an overview of the current context in Vietnam, the reasons why Vietnam is a prime market for fintech development, in addition to challenges and solutions for fintech firms. He stated that the recent fintech boom in Vietnam is due to Vietnam’s high overall growth rate, its utilization of FDI, and the strong political will of the government. He also said that due to a lack of a clear fintech regulatory framework, solutions need to be found to foster a safe and reliable fintech ecosystem, especially due to Vietnam’s large unbanked population and the potential of them securing risky, unsecured loans.

On April 4th: Article: Cloud transformation fit for the country's public sector – Published on VIR

Vietnam is in a transition to a digital era. In this context, issuing a framework for the usage of cloud technologies is essential. EuroCham's Digital Sector Committee writes about the importance of a smart cloud-first strategy in this digital transformation journey. Changes within the public sector have rapidly accelerated in the past couple of years. Digital content consumption and reliance on digital sources for information and services have increased over time and will continue to rise in the near future. The benefits of cloud computing are obvious and attractive to the IT organizations of both the public and private sectors. Agencies and companies are eagerly rushing to migrate their systems, data, and applications to public, hybrid, and multi-cloud-based solutions.

Vietnam has taken robust steps toward developing its digital economy over the next few years with its National Digital Transformation Programme by 2025 with a vision towards 2030. A key element of Vietnam's digital transformation plan is developing digital infrastructure and embracing cloud computing technology. This is a great opportunity for industry and the government to collaborate on a cloud-first strategy for Vietnam to accelerate cloud adoption within the government. According to the Ministry of Information and Communications, the cloud computing market is forecast to be worth \$500 million by 2025, due in part to the pandemic situation accelerating domestic cloud adoption. Cloud technology is essential for the development of a digital government, economy, and society in Vietnam. The nation is making tremendous strides on its digital transformation journey, and the more the government encourages the use of cloud technology among all sectors, businesses, and public sector organizations, the faster Vietnam will realize its digital economy ambitions.



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Cloud transformation fit for the country's public sector

Brands are solving the immediate problem of freight and logistics by creating innovative mobility solutions while establishing greater transparency through central towers.

Cloud-first approach
There is already a strong desire in Vietnam to adopt advanced technologies for business success, and the government can boost this further by issuing the cloud-first public sector guidelines. Cloud computing has brought forth a new, more efficient, and secure means of managing government information technology resources, and has opened up avenues for modernization, innovation, and cost savings, among other benefits.

Setting up fundamentals
Understanding the differences between the traditional delivery model of cloud computing compared to traditional on-premise IT, which has a high degree of customization, helps set expectations regarding CSP and government customer responsibilities in a cloud model. As cloud customers do not purchase physical assets from CSPs, it follows that government should not approach cloud policy and procurement as if they are purchasing physical assets.

Cloud policy should take into account how standardized, off-the-shelf services are designed for, provided, stored, and used, and build a cloud-first strategy that is institutionally different from traditional IT, designed to harness the benefits of the cloud delivery model.

Agreeing on simplifying the cloud procurement process, other than practices in cloud-first public sector, includes following a principled and risk-based approach in developing regulations so that they are not overly prescriptive, adopting internationally recognized standards, and global best practices to help

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On April 15th: EuroCham's Digital Sector Committee attends Ho Chi Minh City Economic Forum 2022

EuroCham took part in the Ho Chi Minh City Economic Forum 2022 on April 15th. The annual event was hosted by the HCMC People's Committee and covered "Digital Economy: Driving Force for the Future Growth of HCMC". The conference offered an opportunity for the international and domestic policymaking and business communities to jointly discuss and propose solutions for implementing the city's digital transformation, in line with goals set out by Vietnam's National Digital Transformation Program.

ADVOCACY UPDATES

On March 7th: The Vietnamese Government issued Resolution No. 27/NQ-CP (Resolution 27) on the Approval of the Dossier of the Draft Personal Data Protection Decree.

Under Resolution 27, the government approved the substantive content of the Draft Personal Data Protection Decree. Nevertheless, to have the PDPD enacted legally (ensuring full compliance with the Law on the Promulgation of Legal Documents), the Government assigned and authorized the Ministry of Public Security (MPS) to consult the National Assembly Standing Committee on the promulgation of the document. This meant that the Draft Personal Data Protection Decree can be subject to further amendments upon the National Assembly Standing Committee's review and suggestion.

While the latest version of the Draft Personal Data Protection Decree remains undisclosed, Resolution 27 sheds some light on what to expect in the Draft Personal Data Protection Decree. Specifically, Article 1 of Resolution 27 provides the circumstances in which personal data can be processed without the data subject's consent, which are as follows:

1. Where the processing is necessary to respond to an emergency situation that threatens the life, health, or safety of the data subject or other individual. The Data Controller, Data Processor, Data Controlling and Processing Entity, Third Party bear the burden of proving this case;
2. Where the disclosure is in accordance with laws;
3. Where the processing is necessary to fulfill national defense and security requirements or carried out by a competent authority in accordance with other laws;
4. Where a competent state agency investigates and handles law infringement in accordance with laws; and
5. Where the processing is carried out by a competent state agency for the purpose of serving the operation of the state agency in accordance with laws.

Also, the government assigns the MPS to take prime responsibility and coordinate with the Ministry of Justice in proposing the formulation of a Personal Data Protection Law, which is on the same track as the content of the recently issued Prime Minister's Decision No. 06/QĐ-TTg, which sets the deadline for the MPS to submit a finalized Draft Personal Data Protection Decree to the Government for enactment as May 2022.

On 14 April, the Personal Data Protection Decree (PDP Decree) is being submitted to the Standing Committee of the National Assembly (SCNA) in its 10th working session (14-26 April) for consultation in accordance with Resolution 27. Details of the discussion as well as the latest version Draft Personal Data Protection Decree remain undisclosed. It is noted that at the National Committee for Digitization's meeting held on 27 April, Prime Minister Pham Minh Chinh requested the MPS to finalize the Draft Personal Data Protection Decree and submit it for enactment in May 2022.