



25 October 2012

Re: Comments on the Draft Law on Draft Decree on the Sanctioning of Administrative Violations in the Management, Provision and Use of Internet Services and Online Information

The Asia Internet Coalition (AIC) is an industry association with a membership of eBay, Facebook, Google, Skype and Yahoo! Inc. As its mission, the AIC seeks to promote the understanding of Internet policy issues in the Asia-Pacific Region.

AIC expresses thanks for the consultation that the Ministry of Information and Communication (MoIC) is extending to industry on the Draft Decree on the Sanctioning of Administrative Violations in the Management, Provision and Use of Internet Services and Online Information (Sanctions Decree). We are very encouraged by the continued dialogue and see this as an additional positive step as Vietnam advances to become an important ICT player in ASEAN. We also applaud MoIC's willingness to make amendments to the draft decree based on industry feedback. In our experience, such close interaction between government and industry brings about progressive, well-balanced, and implementable laws that boost innovation and attract investments. We look forward to a similarly facilitative approach for the Sanctions Decree.

As you know, AIC has previously provided comments on the Draft Decree on IT Services where we raised concerns that some provisions in the Draft Decree will reduce Vietnam's attractiveness for foreign investment, and will undermine the government's declared strategy to encourage investment into the IT sector. The Sanctions Decree presents some of the same issues. For example, AIC is concerned that the proposed decree is unclear about which provisions apply to global internet companies and contains broad definitions that fail to describe what actions would result in penalties. The Sanctions Decree also proposes penalties for failure to submit to local licensing and registration as a prerequisite for operation and for failure to provide user information to local authorities or to block information that is not illegal.

These issues are similar to the concerns AIC raised regarding the IT services and Content decrees. If these concerns are not addressed, these decrees could have the effect of increasing the uncertainty and regulatory burden that companies face. If, in addition, onerous sanctions are imposed for violations of these decrees, the uncertainty and burden will be amplified. The effect will be a decline in foreign technology investment in Vietnam.

This is a time of great opportunity and promise for Vietnam. IT services and the Internet are essential tools for businesses everywhere. Removing the harmful provisions in the pending Draft

Decrees will help boost investor confidence and Vietnam's competitive position in the global economy.

We thank you again for taking the time to engage industry.

Should you have any further queries, please do not hesitate to contact director@asiainternetcoalition.org should you require further information on the contents of this submission.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J. Ure', with a long horizontal stroke extending to the right.

John Ure
Executive Director
Asia Internet Coalition