



26 February 2013

**Re: Comments on the Decree of 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 continued willingness of the Ministry of Information and Communication (MoIC) to listen to concerns and suggestions from the business community as you consider 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 appreciate the seriousness with which you approached our feedback on the first draft of the Sanctions Decree, and we look forward to continued constructive engagement on this this revised draft.

In addition to our comments on the first draft of the Sanctions Decree, AIC has previously provided comments on other IT decrees that the MoIC is currently considering. For instance, we raised concerns that some provisions in the Draft Decree on IT services will reduce Vietnam's attractiveness for foreign investment, and will undermine the government's declared strategy to encourage investment into the IT sector.

We hope that Vietnam will continue to be a nation that fosters technology development, but we are concerned that the IT decrees as currently constituted could slow the growth of this sector in Vietnam. In particular, we are concerned that the potential scale and scope of the sanctions in the revised draft of the Sanctions Decree could prove so onerous as to stifle growth and innovation.

The Sanctions Decree provides for penalties in several of the sectors that have made the Internet such a strong force for economic advancement, such as online gaming, Internet advertising, and e-commerce. In many cases, sanctions would be imposed for offenses that not clearly defined. We are concerned about proposed penalties for IT companies and online game providers for failure to submit to local licensing and registration as a prerequisite for operation, for failure to block content, and for failure to provide user information to local authorities. In addition, the

advertising regulations specified in the Sanctions Decree could have the effect of hindering the growth of the ad-supported Internet in Vietnam, even though that model has underpinned a flourishing technology sector in countries around the world. The reporting and inspection requirements are also unduly broad, which could significantly increase compliance costs in Vietnam and thereby deter future investment. Finally, while we appreciate the additional specificity provided in the revised draft, we remain concerned that the proposed decree is unclear about which provisions apply to global IT companies and contains broad definitions that fail to describe the particular actions that would result in penalties.

As we noted in prior comments, our concerns regarding the Sanctions Decree are linked to our concerns about the other pending IT decrees. If the other IT decrees remain in their current form, they 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 cumulative 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. Addressing the concerns in the pending IT decrees will help boost investor confidence and Vietnam's competitive position in the global economy.

For these reasons, we respectfully request that the Sanctions decree be reevaluated in light of the comments presented here, as well as our prior comments regarding the pending Internet Services and Content decrees.

We thank you again for taking the time to engage industry. If possible, we would very much like to meet in person so that we can discuss these issues in greater detail.

In the meantime, should you have any further queries, please do not hesitate to contact [director@asiainternetcoalition.org](mailto:director@asiainternetcoalition.org) should you require further information on the contents of this submission.

Yours sincerely,

John Ure  
Executive Director  
Asia Internet Coalition