

# Law on Corporate Social Responsibility for Consumers in Vietnam

---

*The law on corporate social responsibility (CSR) toward consumers was codified in Vietnam in the Law on Protection of Consumer Rights 2010. After more than ten years, in addition to the achieved results, certain limitations of the law have been revealed, including provisions related to the responsibility of enterprises in protecting the interests of consumers. In response, on March 29, 2021, the Ministry of Industry and Trade submitted statement No. 1695/Ttr-BCT, which proposes the development of amendments to the law. It is in this context that the authors focus on clarifying the legal provisions and the practice of law enforcement regarding CSR for consumers. In doing so, they set out the advantages and limitations of the law as well as its practical implementation. At the same time, it provides recommendations for improving the law on corporate responsibility to protect the interests of consumers.*

---

## Nguyen Duy Phuong

*associate professor  
University of Law, Hue University (Vietnam)*

ORCID – 0000-0003-0713-0994

e-mail: huynhducaslan@gmail.com

## Nguyen Duy Thanh

*PhD student  
University of Law, Hue University (Vietnam)*

ORCID – 0000-0003-1761-2153

e-mail: thanhnd@hul.edu.vn

Key words:  
Responsibility of enterprises, protect interests, consumers, Vietnam.

<https://doi.org/10.36128/priw.vi39.353>

## 1. Introduction

The protection of consumer<sup>1</sup> rights is one of the issues attracting the attention of the whole society. Currently, it is very common not only in Vietnam but also in many countries around the world to see the rights and interests of consumers

- 
- 1 The term consumers are understood as individuals or groups of people who use the output of a business including products and services. According to Article 3, Clause 1 of the 2010 Law on Protection of Consumer Rights: „Consumers are the buyer or user of a goods or service for consumption or day-to-day activities of a person, a household or an organization”.

regularly violated and to various degrees<sup>2</sup>. Therefore, many countries have recently passed laws to protect the legitimate rights and interests of consumers.

In Vietnam, the 2010 Law on Protection of Consumer Rights (LPCR 2010) was passed by the National Assembly on November 17, 2010, and represents a major turning point in the legalization and socialization of consumer protection<sup>3</sup>. To implement the LPCR 2010, the government and relevant ministries and agencies have also issued various legal documents stipulating and guiding action in fields related to the protection of consumer's rights.

A history of the legal system of consumer rights protection shows that corporate social responsibility (CSR) to protect the interest of consumers is an important issue that has been raised by a variety of stakeholders in Vietnam for nearly 40 years<sup>4</sup>; this has been especially true since Vietnam became the 150th official member of the World Trade Organization in 2007. Attaining this membership is an important milestone in the economy's international integration. Integration brought many opportunities to Vietnam but also posed many challenges that required each domestic enterprise to prioritize its responsibility to protect the interest of consumers. In addition, the legal practice also posed many challenges in the implementation of the LPCR due to the increasing number of foreign enterprises present in Vietnam. Therefore, it is necessary to study the legal provisions on the responsibilities of enterprises and law enforcement in protecting the interests of consumers.

## 2. Overview of the law on corporate social responsibility toward consumers

According to the 1985 UN Guidelines for Consumer Protection, enterprises have responsibilities toward consumers, including those „related to fair marketing practices, protection of health and safety, and sustainable consumption, dispute resolution and compensation, data and privacy protection, access to basic products and services, addressing the needs of disadvantaged and vulnerable consumers, and education”<sup>5</sup>. In 1999, these guidelines were supplemented with provisions on sustainable consumption. The guidelines

- 
- 2 Ha Thi Ngoc, „Legislation on Protection of Consumer Rights in Vietnam: History of Establishment and Development” *Russian Journal of Comparative Law*, No. 2 (2018): 127.
  - 3 Phan Thi Thanh Thuy, „Consumer Protection in Vietnam-An Analysis from Legal Perspective” *International Journal of Management*, No. 3 (2021): 791.
  - 4 Brigitte Hamm, „Corporate social responsibility in Vietnam” *Pacific News*, No. 38 (2012).
  - 5 United Nations (UN) Guidelines for Consumer Protection, UN Doc. No.A/C.2/54/L.24. 1999.

called on countries to protect consumers from health and safety risks, promote and protect the economic interests of consumers, enable them to make informed choices, provide education to consumers, make effective consumer compensation available, promote sustainable consumption patterns, and ensure the freedom to form independent consumer groups<sup>6</sup>.

Thus, CSR to consumers includes providing accurate information, using genuine, transparent, and useful marketing information and contracting processes, promoting sustainable consumption, designing products and services that are accessible to all and should serve the disadvantaged and vulnerable as and where appropriate. CSR also includes minimizing the risks of using products and services through the processes of design, manufacturing, distribution, information, support services, product cancellation, and recall<sup>7</sup>. Moreover, enterprises that collect or process personal information have a responsibility to protect that information as well as the privacy of consumers.

From a legal perspective, CSR to protect the interests of consumers is covered by general provisions of the law issued by the state to regulate the behaviour of enterprises<sup>8</sup>. These stipulate the obligations of enterprises in the production process to safeguard the interests of consumers and regulations that sanction businesses that violate the interests of consumers. These provisions are recognized in various legal documents but are concentrated in the LPCR of 2010.

### **3. Present legal status and practice of law enforcement on the corporate social responsibility in protecting the interests of consumers**

#### **3.1. Responsibility for providing information to consumers**

Under international and Vietnamese law, consumers have the right to access relevant information that enables them to make informed choices according to their wants and needs, as well as to be protected from dishonest or misleading advertisements.

In the process of implementing information, enterprises must practice fair marketing, provide genuine and unprejudiced information, and fair contracts to provide information about products and services that are easily understood by consumers. This allows consumers to make informed decisions on consumption and purchases and to compare the characteristics of various products and services. Fair contract processes aim to protect the legitimate

---

6 Vietnam National Standard TCVN ISO 26000:2013 (ISO 26000:2010) Guidelines for Social Responsibility.

7 Chatterjee Aman, Sahoo Sheetal, „Consumer protection: Problems and prospects” *Postmodern Openings*, No. 9 (2011): 158.

8 Minh Nguyen, Jo Bensemann, Stephen Kelly, „Corporate social responsibility (CSR) in Vietnam: a conceptual framework” *International Journal of Corporate Social Responsibility*, No. 1 (2018).

interests of both suppliers and consumers by minimizing imbalances in bargaining power between the parties. Responsible marketing practices can include providing information on social, economic, and environmental impacts throughout the entire value chain. „Detailed information about products and services provided by the supplier plays an important role in purchasing decisions as [that] information may be the only data available to consumers. Marketing and information that is unfair, incomplete, misleading can lead to the purchase of products and services that do not meet customer needs, resulting in wasting money, resources and time”<sup>9</sup> and even be harmful to consumers or the environment. It can also lead to a decline in consumer trust as consumers do not know who or what to believe. This could adversely affect the growth of the market for more sustainable products and services.

Businesses must disclose all prices and taxes, terms and conditions of products and services, and delivery costs<sup>10</sup>. When giving consumers credit, companies should detail the actual annual interest rate as well as the annual fee percentage and all associated costs in total payable, payment amount, and payment term each time. Furthermore, they must provide complete, accurate, understandable, and comparable information in the official or common language of the place of sale and accordance with applicable regulations.

Enterprises need to ensure they provide full information on the health and safety aspects of products and services, such as potentially hazardous uses, hazardous materials, and hazardous chemicals contained in products or expelled through the product’s life cycle<sup>11</sup>. Companies must ensure access to non-hazardous products and protect consumers from health and safety hazards arising from manufacturing processes, products, and services.

The responsibilities of third parties in providing information about goods and services to consumers are specified in Article 13 of the LPCR 2010. In recent years, many disputes related to purchases and sales through sales programs on TV or purchases through e-commerce service providers have been successfully resolved using this provision and thanks to the coordination and direct support of the TV and e-commerce service providers<sup>12</sup>.

The LPCR 2010 also clearly requires that “[f]orms of contracts concluded with consumers comply with the civil law; A written contract with a consumer must use plain and understandable language, which is Vietnamese

9 Organization for Economic Co-operation and Development (OECD). Guidelines for Consumer Protection in the Context of Electronic Commerce. 1999.

10 Philip L. Cochran, „The evolution of corporate social responsibility” *Business horizons*, No. 6 (2007): 449.

11 Jim Davies, Erika Szyszczak, „ADR: effective protection of consumer rights?” *European Law Review*, No. 5 (2010): 695.

12 Article 13 of the Law on Protection of Consumer Rights 2010.

unless otherwise agreed by involved parties or provided by law; When a contract is concluded electronically, a goods or service trader shall create conditions for a consumer to review the whole contract before its conclusion”.

### 3.2. Protecting the health and safety of consumers

In protecting the health and safety of consumers, the organization should take into account the objectives set out in the law, as well as pay special attention to vulnerable groups (with special attention to children) who may not have the ability to recognize or evaluate potential hazards<sup>13</sup>.

The government's guidelines require that „[b]usinesses need to provide products and services that are safe for users as well as others, safe for their property and the environment, under normal and reasonably foreseeable conditions of use. Evaluate the adequacy of laws, regulations, standards and other technical requirements to address all aspects of health and safety”<sup>14</sup>. Enterprises need to go beyond the minimum safety requirements and demonstrate that higher requirements can achieve significantly better protection demonstrated by the low frequency of „meeting minimum requirement product or service” -related accidents, or by the availability of products or product designs reducing the number or severity of accidents.

Enterprises must take responsibility to reduce the risks associated with product design by identifying potential user groups, intended use, reasonably foreseeable misuse of the process, product, or service, the hazards that arise at all stages, as well as conditions of usage of the product, or service, and, in some cases, the provision of products and services specifically designed for vulnerable groups<sup>15</sup>. They must estimate and assess the risks for each identified user or contact group, including pregnant women, and reduce those risks according to the following order of priority: inherent safety design, protective equipment, and user information. Enterprises must ensure information about products and services is appropriately designed by taking into account the different needs of consumers and respecting the different or limited capabilities of consumers, especially in terms of how they allocate time and communicate. When developing products, businesses should avoid the use of hazardous chemicals, including, but not limited to, those that are carcinogenic, genetically modified, toxic to recycling, or those that do not degrade or

- 
- 13 Hao Liang, Luc Renneboog, „On the foundations of corporate social responsibility” *The Journal of Finance*, No. 2 (2017).
  - 14 TCVN ISO 19011: 20033, Guidelines for auditing quality management systems and/or environmental management systems; TCVN ISO 22000, Food safety management systems - Requirements for organizations in the food chain.
  - 15 Thomas M. Jones, „Corporate social responsibility revisited, redefined” *California Management Review*, No. 22 (1980).

biological accumulate. If products containing these chemicals are offered for sale, they should be clearly labelled. An assessment of the risks posed to human health by products and services should be conducted before introducing new materials, technologies, or production methods and, if appropriate, the documentation of this assessment made available to consumers.

Essential safety information must be communicated to consumers by using symbols where possible, preferably using internationally recognized symbols along with documented information. Furthermore, businesses should instruct consumers in the correct use of the product and warn them about the risks involved in its intended or foreseeable use. They should also adopt measures to prevent products from becoming unsafe through improper transportation or storage by the customer. The LPCR 2010 also stipulates that a „consumer may have his/her information kept secure and confidential when making transactions and using goods or services except upon request by a competent state agency”<sup>16</sup>.

Products that do not ensure the health and safety of consumers must be recalled. The regulation on recalling defective goods is new. At the time the law was promulgated, many arguments were made that the implementation of a program to recall defective goods partly proved the weakness of enterprises in the production of the goods. However, the reality of the past years shows that all programs to recall goods with defects are proactively implemented by enterprises, with state agencies notified thereafter. The number of withdrawal programs has tended to increase from year to year. In addition, the summary report concerning implementation by thirteen enterprises shows that currently, seven of those had actively implemented the program to recall defective goods in accordance with the provisions of LPCR 2010. One of the thirteen enterprises had implemented but not fully and properly complied with relevant regulations<sup>17</sup>.

### 3.3. Protecting consumer data and privacy

The purpose of data protection and consumer privacy is to protect the privacy of consumers by limiting the types of information collected and how that information is obtained, used, and secured. The increase in the use of electronic communications (including for financial transactions) and genetic testing, as well as the growth in large-scale databases, raise concerns about the methods used to protect the privacy of consumers, especially concerning identifiable personal information.

---

16 Article 8 of the Law on Protection of Consumer Rights 2010.

17 Competition Bureau, Ministry of Industry and Trade, Nine-year summary report of implementation of the Law on Protection of Consumer Rights 2010, 28-29.

Commercial entities should limit the collection of personal data to information that is essential to the provision of products and services, or that is obtained from consumers with their voluntary and informed consent to prevent the collection and processing of personal data from infringing on privacy. Businesses should not use services or claims of special offers in agreements with consumers to use the data obtained for marketing purposes. They should collect data only by lawful and fair means, and specify the purpose for which personal data is collected, both before and during data collection. Furthermore, businesses should not disclose, make available or use personal data for purposes other than those specified, including marketing, unless the consumer had been notified and allowed that use or when that use is required by law. Consumers should be given the right to verify if organizations hold data relating to them and to verify this data, as required by law. If the verification is successful, the data should be deleted, corrected, complete or modified, as appropriate. Businesses should protect personal data with adequate security measures. They should disclose the development of practices and policies related to personal data, make available the means to establish the existence, nature, and primary uses of personal data, and disclose the identity and permanent position of the person responsible for data protection within the organization (the data controller) and hold that person accountable for compliance with the measures detailed and other relevant laws.

Vietnam's law requires that consumers are „assured of their safety and confidentiality when participating in transactions and using goods and services, except for the request of authorized state agencies”<sup>18</sup>.

In the case of collecting, using, and transferring consumer information, organizations and individuals trading in goods and services must disclose the purpose for which they are collecting and using that information. They must use the information in accordance with the purpose disclosed to the consumer and to which they have consented. When collecting, using, and transferring the information of consumers, organizations and individuals must ensure its safety, accuracy, and completeness by themselves or by taking measures for consumers to update and adjust information where it is incorrect. Unless otherwise provided for by law, consumer information can only be transferred to third parties with the consumer's consent<sup>19</sup>.

As for the responsibility of protecting the information of consumers, although it is a new regulation, The summary report of thirteen enterprises shows that ten of these have issued documents to regulate their consumer information protection policy. Eleven have implemented technical measures and guidance for employees to implement internal policies and regulations on

---

18 Article 6, Clause 1, Law on Protection of Consumer Rights 2010.

19 Article 6, Clause 2, Law on Protection of Consumer Rights 2010.

consumer information protection. All thirteen enterprises use consumer information according to the purposes conveyed to consumers<sup>20</sup>.

### **3.4. Ensuring the right to use essential services**

To ensure this right of consumers, businesses providing essential services should not interrupt the provision of essential services when unpaid without giving consumers or groups of consumers a reasonable opportunity to pay. Organizations should not stop providing collective services to punish all consumers regardless of payment; In pricing and fees, whenever permitted, provide subsidized rates to those in need; Operate transparently, providing information regarding pricing and fees; Expand the scope and provide services of the same quality and level to all groups of consumers without discrimination; Manage any cuts or interruptions in supply in a reasonable manner, avoiding discrimination against any group of consumers; maintain and upgrade its systems to help prevent service disruptions.

### **3.5. Ensuring good service performance, consumer support, and complaint and dispute resolution**

Service, consumer support, and complaint and dispute resolution are organizational mechanisms used to address consumer needs after products and services have been sold or provided.

These arrangements include proper installation, warranties, and guarantees, technical support related to usage, as well as terms of return, repair, and maintenance.

Products and services that are not satisfactory due to omissions, failures, or misuse may lead to violations of consumer rights as well as being a waste of money, resources, and time.

Suppliers of products and services can enhance consumer satisfaction and reduce complaints through the provision of high-quality products and services. They need to give clear advice to consumers on proper usage and respond to requests for a remedy for the failure of products. Suppliers can also monitor service effectiveness, after-sales support, and dispute resolution procedures through user surveys<sup>21</sup>.

Businesses need to take measures to prevent complaints by providing consumers, including those who purchase products via telemarketing, the ability to return products within a limited time frame or take other appropriate remedial measures. Complaints must be reviewed and complaint response practices improved. If applicable, businesses must provide warranties

---

20 Nine-year summary report on implementation of the Law on Protection of Consumer Rights, 27.

21 OECD Recommendation on Consumer Dispute Resolution and Redress. 2007.



longer than the statutory warranty period and in accordance with the expected service life of the product. Consumers must be clearly informed of how to access after-sales services and support as well as dispute resolution and compensation mechanisms. They must be provided with a satisfactory and effective system of support and advice, and maintenance and repair at reasonable prices and appropriate locations. Businesses must provide information on the desired availability of replacement parts for the product; and adopt dispute resolution, conflict resolution, and redress procedures based on national or international standards, free of charge or at minimal cost to consumers and that do not require consumers to waive their rights to seek legal recourse. The LPCR also recognizes the rights of consumers „[t]o lodge a complaint or denunciation or initiate or request a social organization to initiate a lawsuit to protect his/her rights under this Law and other relevant laws”<sup>22</sup>.

In practice, the process of reporting and processing consumer information has been improved to be more convenient, simpler, and faster. This result is due to the development of information technology that has made the application of contact methods that have more reasonable and convenient businesses costs. However, it is also necessary to recognize shifts in the perception of businesses toward listening and resolving customer opinions. The summary report on thirteen enterprises shows that all had issued policies to receive and handle consumer requests, established a specialized department in charge of receiving and settling complaints, and built a database of consumer complaints. Ten of those thirteen businesses apply a variety of methods to receive and exchange information with consumers (using hotlines, email, online chats, and Facebook)<sup>23</sup>.

#### **4. The advantages and limitations of the law on corporate social responsibility in protecting the interests of consumers**

##### **4.1. Advantages of the law**

Firstly, the provisions of Vietnamese law recognize the basic principles of protecting consumer rights.

Article 4 of the LPCR affirms that „[p]rotecting interests of consumers is the common responsibility of the State and the whole society. The rights of consumers are respected and protected under the law. Consumer rights must be protected promptly, fairly, transparently and lawfully”. That is, consumer protection is not the job of a particular department, agency, or entity, but a common responsibility of the whole society. Unlike many other fields, consumer protection involves various individuals and organizations, so it is of great significance to affirm that this work is a common responsibility of

---

22 Article 8, Clause 7, Law on Protection of Consumer Rights 2010.

23 Nine-year summary report on implementation of the Law on Protection of Consumer Rights, *op. cit.*, 27.

the whole society. Each agency, mass organization, individual, organization, and consumer must take responsibility for this work.

Second, the provisions of the law recognize the basic rights of consumers. Article 8 of the LPCR 2010 stipulates eight basic rights of consumers. In that regard, the law mentions the responsibilities of businesses trading in goods and services. Chapter II of LPCR 2010 specifies the responsibilities of enterprises regarding the provision of information about goods and services, performance of a model contract, and implementation of general trading conditions. Enterprises must provide proof of transactions, warranties for goods, components, and accessories. Furthermore, they must provide for the recovery of defective goods and compensation for damage caused by those goods. Ensuring the responsibility of enterprises is one of the most important factors for consumers' interests to be guaranteed.

Third, the responsibilities of organizations and individuals trading in goods and services have been recognized. The LPCR 2010 introduced new and strict regulations on the responsibilities to consumers of business organizations and individuals.

The law has new provisions, focusing on the issue of liability for warranties, recalls of defective goods, and compensation for damage to consumers caused by defective goods. Accordingly, business organizations and individuals must fulfil their warranty obligations for the goods provided. During the warranty period, providers must compensate consumers with similar goods for temporary use or propose another settlement method acceptable to the consumer. They must also bear the cost of repair and transportation of goods and components under warranty. For defective goods, business organizations and individuals must publicly announce this fact on their website or through mass media, withdraw the goods and report the results to the state management agency in charge of protecting consumer interests.

#### **4.2. Limitations of the law**

In addition to the advantages brought by the current provisions of Vietnamese law on CSR in protecting the interests of consumers, there remain limitations that need to be overcome.

Firstly, the CSR regulations to protect the interests of consumers are still largely formalistic and difficult to implement. The LPCR 2010 lists seven groups of rights to which businesses must pay attention when providing goods and services to consumers. Consumers can also use the law to protect their rights when they are infringed. However, mechanisms to enforce these rights are not yet available or have not been effectively implemented. Therefore, it is still difficult to apply these provisions to protect consumer interests.

Secondly, the regulations on the realization of the contract between enterprises and consumers are still general. There are no regulations binding enterprises in the process of contract realization. Model contracts in some

specific business areas, such as electricity and water, are not yet subject to special regulation to avoid consumers being restricted and disadvantaged in terms of benefits, especially when disputes arise.

Third, as regards the period of warranty of goods, Article 21, Clause 2 of the LPCR 2010 stipulates: „When the goods trader replaces parts or accessories or change the goods, the warranty period for such parts, accessories or goods shall be counted from the time of replacing those parts or accessories or changing the goods”.

The above regulation only relates to how the warranty period is determined; there is no regulation to determine the warranty period for renewed parts, accessories, or goods. When replacing newly replaced parts and accessories, businesses often do not announce a new and regulated warranty period or often limit this to a very short time. In some cases, the warranty period for newly replaced parts and accessories is considerably shortened when compared with the warranty period of old parts and accessories.

Fourth, Article 22, Clause 4 of the LPCR 2010 addresses the time limit for reporting the results of the recall of defective goods and stipulates that the company, „[a]fter completing the recall, report its results to a provincial-level state management agency in charge of consumer right protection of the locality in which defective goods are recalled or to the central state management agency in charge of consumer right protection when defective goods are recalled in two or more provinces”. There is no regulated time limit for enterprises to report recall results to competent authorities. As a result, the competent authority has no basis for defining what it means for a company to fail to report.

## **5. Suggestions to improve the law on corporate social responsibility to protect the interests of consumers**

The LPCR 2010, has been implemented for more than a decade. This is considered a specialized legal document that comprehensively regulates activities related to the protection of consumer interests. In addition, the government has continued to issue relevant legal guidance, creating a complete and unified legal system governing relationships in this field of law. However, as shown through this study of the law and its practical application, there are several limitations and obstacles. We would like to propose changes related to the regulation of CSR to protect the interests of consumers as follows.

Firstly, the provisions related to the contract for the consumption of goods and services should be supplemented. In LPCR 2010, there is no clear regulation of the provisions of service contracts, especially contracts for on-going service provision. These stipulate the conditions for the termination of the contract by consumers and clearly define the responsibilities to consumers of service providers. The law also does not specifically regulate the responsibilities of the management boards of high-rise buildings or those related to the

construction units of civil works to ensure the best service quality for consumers.

In our opinion, the LPCR should stipulate principled issues related to contracts such as contract interpretation (in favour of consumers), contract language (clear and easy to understand), content that is prohibited (that destroy or limit the rights of consumers), invalid terms (contrary to law or unfavourable to consumers), and the right of consumers to cancel the contract (where they realize the provisions do not reflect their will and may be detrimental). At the same time, it is also necessary to pay attention to some specific types of contracts to which consumers are vulnerable, such as contracts for continuous service provision, selling mobile goods, supply of essential goods and services, and consumer credit.

Secondly, it is necessary to supplement regulations on product liability, compensation for damage and losses caused by defective products. Consumers are beneficiaries of various activities to protect their legitimate rights and interests. When selecting products, consumers need to know the quality of those products and goods in general. Currently, the responsibility of the manufacturer for their products is stipulated in the law on product quality, and therefore cannot be directly regulated by the LPCR. Consumers often have no intention to establish a direct legal relationship with manufacturers. By the time that products and goods reach consumers, they have gone through many stages of the distribution system; this is especially the case for imported goods. As a result, the supplier of the product or goods is required to be responsible for defects in a product that they did not themselves create.

This situation is addressed by legal regulation of product liability, whereby the manufacturer of the goods is liable to compensate the consumer for damage and loss caused by the defective product, even though the consumer may not deal directly with the manufacturer. Product liability does not arise directly from a business-to-consumer relationship, and, therefore, the civil law liability regime for breach of a civil contract is not available to protect the interests of consumers. Therefore, in the long term, in order to better protect the interests of consumers, it is necessary to improve the care taken by manufacturers and traders and issue regulations on product liability and compensation for damage caused by defective products.

In principle, an enterprise is obligated to provide a warranty to consumers for its goods and services for a certain period, called the warranty period, as agreed with consumers or prescribed by law. However, the LPCR also needs to further stipulate that if, during the warranty period, the consumer discovers that there is a defect in the goods or services covered by the warranty, the organization or individual producing and trading such goods and service is obliged to provide repairs at no cost, replace the defective goods or service with new quality goods or services according to the standards and

regulations of law, reduce prices, or provide a refund after letting consumers return the commodity.

In addition, the provisions of the 2005 Commercial Law on Warranty have contributed to protecting the legitimate interests of consumers as well as genuine businesses. Article 49 of the Commercial Law provides:

1. Where goods are purchased and sold under warranty, the seller shall have to provide a warranty for such goods according to the agreed contents and duration.
2. The seller must fulfil the warranty obligation as soon as the practical situation permits.
3. The seller must bear all warranty expenses unless otherwise agreed.

However, the content of the above regulation has many problems that make it difficult for both consumers and businesses to implement.

The 2005 Commercial Law has no specific provisions on the right of purchasers to claim the warranty and warranty obligations of the providers and responsibilities if both parties do not have an agreement on the warranty in the contract. Thus, when such cases occur, the purchasers and providers must apply the relevant provisions of the civil law and the LPCR.

The LPCR 2010 can only be applied in the case of a goods warranty where the consumer is the person who buys and uses goods or services for the personal consumption and living of individuals, families, or organizations. Where problems arise concerning the warranty of goods related to non-consumption and living purposes, consumers and businesses have no basis for solving these.

The provisions of Articles 446, 447, and 448 of the 2015 Civil Code on warranty obligations, the right to claim the warranty and repairs of objects during a warranty period, are also not clear and consistent. Article 447 stipulates that „[i]f a purchaser discovers a defect in a purchased object during the warranty period, it has the right to require the seller to repair the object free of charge, or reduce its price or replace it with another object, or it has the right to return the object in exchange for a refund”. This means that if a difficult dispute occurs, the buyer can rely on Article 447 to ask the seller to return the money or exchange the goods. The seller can also invoke Article 448 of this Civil Code or Article 49 of the Commercial Law 2005 to refuse the purchaser's request.

Therefore, for clearer regulations that ensure the most optimal solution for the parties, it is necessary to amend and supplement Article 49 of the 2005 Commercial Law and provide clearer provisions on the warranty obligations of the manufacturer. This will clarify the rights, obligations, and responsibilities of the parties in the warranty of goods, warranty measures, and the process of their implementation.

Third, several issues have arisen in practice but have not been regulated by law.

- Business use of technology platform

Along with the emergence of the internet, a technology-based business model has appeared that connects transaction participants and allows the conduct of value-creating interactions at anytime and anywhere. Vietnam promulgated two laws, namely the Law on E-transactions in 2005 and the Law on Information Technology in 2006, which are the legal basis for the recognition of electronic transactions, including e-commerce. To concretize these documents, on May 16, 2013, the Government issued Decree No. 52/ND-CP/2013 to regulate e-commerce relations. This document includes a range of important rules of principle and specific guiding regulations on standards for signing and realizing e-commerce contracts.

In Vietnam, in the transportation industry, various technology-based companies have been established. These include Uber in June 2014, Grab in February 2014 and Vietnamese enterprises such as Go-Viet in July 2018, Be in December 2018, and, in the travel industry Airbnb, Agoda, and Traveloka.

For the implementation of a business that takes the form of a technology platform, there are several concerns, such as the issue of the publicity and transparency about the operating mechanism, the security of users' information, pricing methods, and the legal responsibilities of platforms<sup>24</sup>. Protecting the interests of consumers in the platform economy is an urgent issue, especially given that specialized legal material has not yet been developed for managing the operation of the business model according to the technology platform. As a result, the issue of protecting the interests of consumers in e-commerce has not been included in the legislation.

- Regulations on responsibilities and methods of commercial dispute resolution for E-transactions

Article 26, Clause 3, Section (c) of Government Decree 52/2013/ND-CP dated May 12, 2013, on e-commerce stipulates: „In case the sellers directly post information about their goods and services on e-commerce websites the traders or organizations providing e-commerce services and the traders or organizations providing infrastructure are not the third party providing information as prescribed by the Law on Protection of Consumer Interests”.

The above regulation creates the problem of binding the responsibility of traders and organizations providing e-commerce services and infrastructure to ensure the safeguarding of consumer information on e-commerce platforms like Lazada.vn and Shopee.vn. However, the provisions of the 2005 Law on Electronic Transactions, Decree 52/2013/ND-CP, Decree

---

24 Nine-year summary report of implementation of the Law on Protection of Consumer Rights, op. cit., 27.

No. 22/2017 ND-CP, are general in nature, and there are no specific regulations suited to the flexible and fast-moving characteristics of e-commerce transactions. The current law does not have clear specific provisions on the application of methods of online dispute resolution (ODR) to resolving e-commerce disputes. Chapter VI of Decree 52/2013/ND-CP provides only general principles on e-commerce dispute settlement, but there are no specific regulations on the mechanism by which ODR is conducted. Government Decree No. 22/2017 ND-CP on commercial mediation is one of the policies that regulate the content of online commercial mediation, initially facilitating the formation of dispute settlement, online mortgages, and the scope of disputes using ODR. The order, procedures, and legal value of dispute settlement decisions have not been specified, and there are no guidelines, so disputes cannot be handled<sup>25</sup>. This leads to difficulties in protecting the legitimate rights and interests of consumers when participating in online commercial transactions.

## **6. Conclusion**

As Vietnam's economy integrates more deeply with the world, it is an indispensable and increasingly important requirement that the interests of consumers be protected and the responsibility of enterprises in doing so be ensured. Vietnam has gradually tightened the management of consumer rights protection in all aspects of the economy and worked toward building and perfecting the legal system of consumer rights protection. Until this point, the legal system of Vietnam has met the basic requirements of consumer protection. The provisions of Vietnamese law on protecting the interests and rights of consumers and ensuring that enterprises meet their obligations and responsibilities in protecting consumers' interests are quite similar to those of many developed countries; the laws are suitable and compatible with the requirements set out here. The efforts of the legislators in Vietnam over the past ten years are remarkable.

Following our analysis of the Vietnamese legal system on protecting the interests of consumers, we find several shortcomings and limitations that mean the laws are not completely suitable and do not fully meet the requirements of the current trends in economic development. However, for various reasons, the system of law enforcement agencies to protect the interests of consumers in Vietnam has not been effective as the number of undetected violations by enterprises is still high. The response to acts of violation of consumers' interests has not yet achieved the desired results. Therefore, we need to continue to improve the legal system and enforcement mechanisms

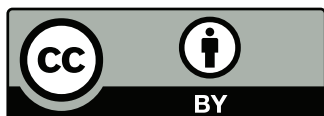
---

25 Vietnam E-commerce Association, E-commerce Index Report 2019, 9. <http://idea.gov.vn/?page=document>, [accessed: 30.04.2021].

to protect the interests of consumers, both to meet the requirements of the integration process and to serve the development of the country.

### Bibliography

- Brigitte Hamm, „Corporate social responsibility in Vietnam” *Pacific News*, Vol. 38 (2012): 4-8.
- Chatterjee Aman, Sahoo Sheetal, „Consumer protection: Problems and prospects” *Postmodern Openings*, Vol. 7 (2011): 157-182.
- Ha Thi Ngoc, „Legislation on Protection of Consumer Rights in Vietnam: History of Establishment and Development” *Russian Journal of Comparative Law*, Vol. 5 (2018): 127-134.
- Hao Liang, Luc Renneboog, „On the foundations of corporate social responsibility” *The Journal of Finance*, Vol. 72 (2017): 853-910.
- Jim Davies, Erika Szyszczak, „ADR: effective protection of consumer rights?” *European Law Review*, Vol. 5 (2010): 695-706.
- Minh Nguyen, Jo Bensemann, Stephen Kelly, „Corporate social responsibility (CSR) in Vietnam: a conceptual framework” *International Journal of Corporate Social Responsibility*, Vol. 3 (2018): 1-12.
- Phan Thi Thanh Thuy, „Consumer Protection in Vietnam-An Analysis from Legal Perspective” *International Journal of Management*, Vol. 12 (2021): 791-804.
- Philip L. Cochran, „The evolution of corporate social responsibility” *Business horizons*, Vol. 50 (2007): 449-454.
- Thomas M. Jones, „Corporate social responsibility revisited, redefined” *California management Review*, Vol. 22 (1980): 59-67.



This article is published under a Creative Commons Attribution 4.0 International license.

For guidelines on the permitted uses refer to <https://creativecommons.org/licenses/by/4.0/legalcode>