



# Promoting Cross-border Paperless Trade in Viet Nam in the New Context

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# Outlines

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- Introduction;
- Trade Facilitation in Viet Nam;
- Potential Benefits of Promoting Cross-Border Paperless Trade in Viet Nam;
- Viet Nam's Technical Readiness for CBPT;
- Viet Nam's Legal Readiness for CBPT;
- Key Recommendations.

# 1. Introduction

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## International context

- ✓ Global economic recovery became evident, despite risks (financial tightenings, commodity prices, geopolitical conflicts, etc.).
  - *Asia-Pacific region become more dynamic in both.*
- ✓ Rapid development of e-commerce ecosystem.
  - *Online dispute resolution of cross-border B2B disputes.*
- ✓ Progressive efforts towards digital economy partnership/cooperation (SADEA; DEPA).
- ✓ New efforts to promote cross border paperless trade (e.g. Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific).

# 1. Introduction (2)

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## Domestic economic context

- ✓ Trade expansion as one key driver of economic recovery and development.
- ✓ Emphasis on new-generation FTAs (CPTPP and EVFTA) and mega-FTA (RCEP).
  - *Incorporating commitments in: e-commerce, trade facilitation, paperless trading, and behind-the-border reforms related to trade.*
  - *IPEF negotiation.*
- ✓ Decelerated economic growth rate during COVID-19 in 2020-2021 and early 2023:
  - *Promoting the digital economy and the digitalization of public service delivery.*

## 2. Trade facilitation in Viet Nam

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- ✓ Since 2014, prioritize improving business environment and enhancing competitiveness:
  - *Annual Resolutions on improving business environment (No. 19 and now is No. 02/NQ-CP): provide for updated targets and measures over time, to ensure relevance and feasibility.*
- ✓ Improving trading across borders: important pillar of business environment reforms
  - *Reduce time and cost to export and import;*
  - *Streamline specialized management and inspection;*
  - *Transparency: VNTR, VTIP, FTA Portal.*

## 2. Trade facilitation in Viet Nam (2)

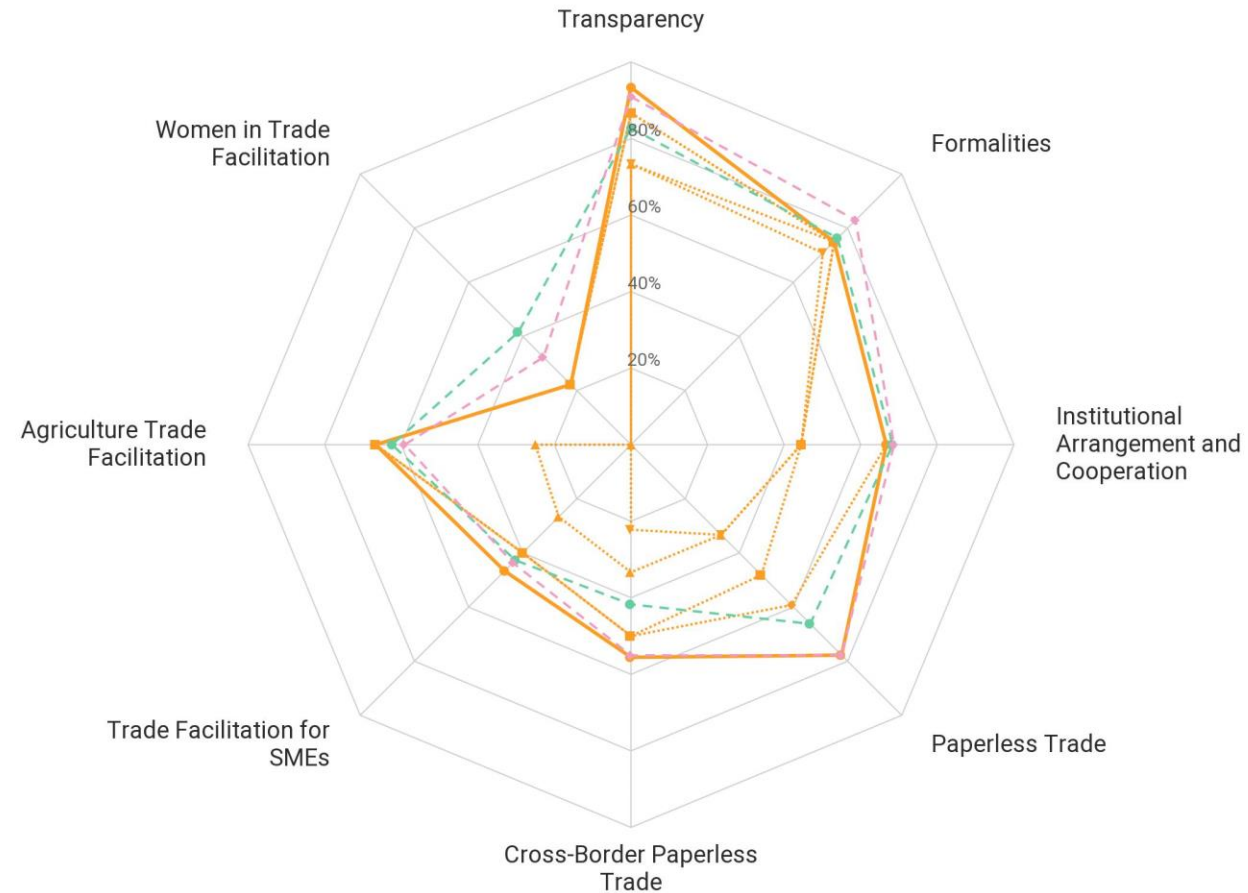
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- ✓ UN Digital and Sustainable Trade Facilitation Survey 2023:
  - *Improvements in terms of cross-border paperless trade and paperless trade;*
  - *Underperforms in terms of paperless compared to average of Southeast Asia in 2021, but already catch up in 2023;*
  - *Higher score in terms of cross-border paperless trade than Asia-Pacific region.*

## Digital and Sustainable Trade Facilitation

Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2023

— Viet Nam (2023) — Viet Nam (2021) — Viet Nam (2019) — Viet Nam (2017) — Viet Nam (2015) — Economic and Social Commission for Asia and the Pacific (ESCAP) (2023) — South-East Asia (2023)



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2023 | UNTFSURVEY.ORG

Source: UN Digital and Sustainable Trade Facilitation Survey 2023

### 3. Roles of Cross-border Paperless Trade

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- Increase operational efficiency in trade and reduce costs.
  - *Reduction of time and errors in handling trade-related data, documents, etc. (Important for Viet Nam given large and expanding trade size);*
  - *Building further upon progress of e-customs.*
- Improve visibility of trade flows.
  - *Improved transparency of regulations; predictability, traceability and trackability of supervision over government agencies and regulatory bodies.*
- Enhance competitive advantage in trade.
  - *Just-in-time vs. just-in-case in the new context of evolving supply chains.*



### 3. Roles of Cross-border Paperless Trade (2)

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- Induce improvements in other areas that support effective trade liberalization.
  - *E.g. logistics, capital flow and information flow of the industrial chain.*
- Promote innovation, especially related to digital government and digital society.
  - *E.g. data sharing and processing; government cloud; etc.*
  - *E.g. Changing behavior of the people and firms?*

## 4. Viet Nam's Legal Readiness for CBPT

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### ☑ E-transactions and E-signatures

- Law on Electronic Transactions in 2005 (based on UNCITRAL's Model Law on Electronic Commerce (1996)), just revised in June 2023.
  - *Detailed regulations of e-signatures, the management and use of e-signatures by agencies and organizations; the validity of e-contracts, data messages*
- Various government documents to guide the principles governing e-transactions and e-signatures:
  - *Decree No. 52/2013/ND-CP on e-commerce (amended by Decree No. 85/2021/ND-CP): legal value electronic documents; regulation of e-contract certification, e-contract authentication service providers, electronic signature certification service provider, etc.*
  - *Decree No. 30/2020/ND-CP: equivalence between paper documents and electronic documents;*
  - *Commercial Law No. 36/2005/QH11: electronic contracts in commercial transactions;*
  - *Decree No. 47/2020/ND-CP: digital data carry digital information; shared in the form of data messages;*
  - *Decree No. 130/2018/ND-CP: guidelines for digital signatures and digital signature authentication services.*

## 4. Viet Nam's Legal Readiness for CBPT (2)

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### ☑ Privacy and data protection

- *Law Electronic Transactions: regulation of data privacy and data protection;*
- *Law on Information Technology and Decree No. 72/2013/ND-CP: regulations on assurance of information safety and confidentiality;*
- *Decree No. 52/2013/ND-CP and Decree No. 85/2021/ND-CP: detailed regulation of the responsibility and policy to protect the personal information of consumers;*
- *Law on cyberinformation security, Decree No. 64/2007/ND-CP, Decree No. 85/2016/ND-CP: definition of personal information; confidentiality level of the information*
- *Other Laws (on medical examination and treatment, Tax Administration, Credit Institutions, Insurance Business, etc.): personal information belonging to confidential information in the relevant fields;*

## 4. Viet Nam's Legal Readiness for CBPT (3)

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### ☑ Laws regarding paperless trade systems:

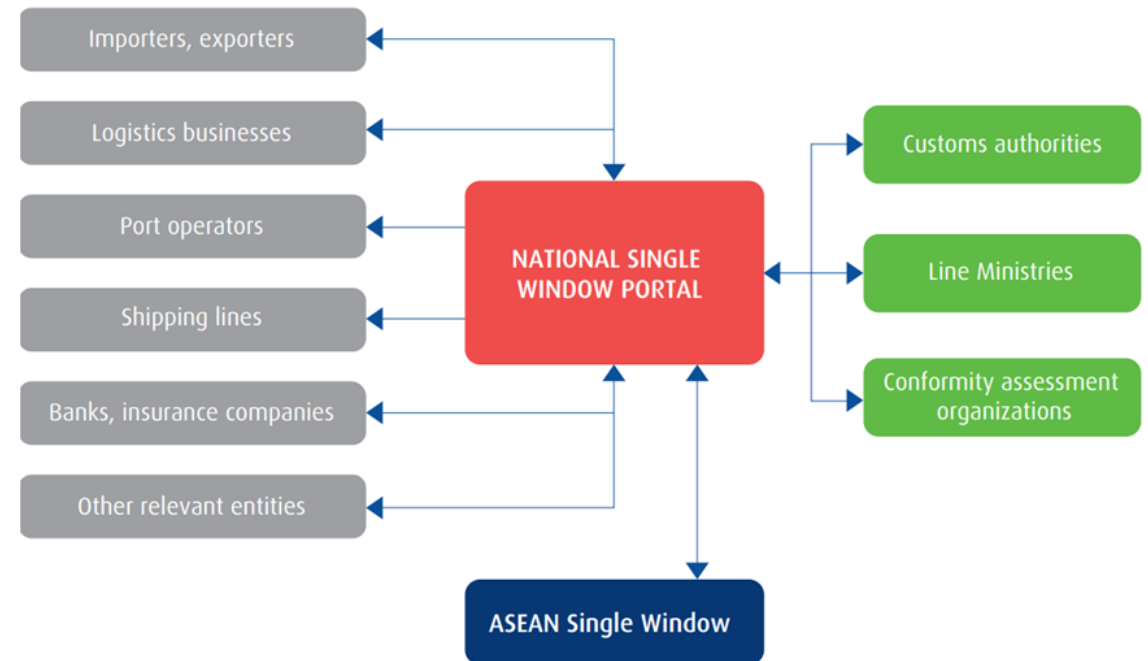
#### ➤ Establishment of a paperless trade system.

- *Law on Customs sets out the basic legal foundation for NSW, allows to send information and e-documents to customs and other state management agencies using an integrated information system;*
- *Decree No. 85/2019/ND-CP determines the functions of NSW (receiving e-documents; verifying digital signatures; transferring e-documents to the specialized processing system; storing information; receiving and returning results; etc.);*
- *Various Decisions (No. 1254/QD-TTg in 2018, No. 1258/QD-TTg in 2020 and No. 1369/QD-TTg in 2021): action plan to promote NSW, ASW, reform of specialized inspections over imports and exports and trade facilitation till end of 2021=> set tasks : improving the legal basis and developing an information technology system to serve the implementation of NSW and ASW.*

# 5. Viet Nam's Technical Readiness for CBPT

## *Level of automation – Single window system*

- Documents: Decision 2185/QD-TTg in 2016; Decision 1254/QD-TTg in 2018 and Decision 1254/QD-TTg in 2021;
- NSW officially launched in 2014, 250/261 administrative procedures; more than 4.2 million dossiers of about 54,800 enterprises;
- Officially connected the ASEAN Single Window (e-C/O form D with other AMS).



## 5. Viet Nam's Technical Readiness for CBPT (2)

### *ICT Infrastructure – Network service availability*

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- Network service availability: at all border posts (ports, airports and cargo clearance facilities), both common and dedicated;
- Common network for interconnectivity among different stakeholders; supported by cables/fiber optics; deployed hardware and software (VPN, HTTPS/SSL or encrypted equipment, etc.) for ensuring security and integrity;
- Single Window Interoperability: NSW supports heterogeneous systems through HTTPS protocol and under XML format for message;
- Strategic plan to address ICT infrastructure: strategic plan of ICT development during 2011-2020 (Decision 246/2005/QD-TTg); MIC is drafting strategic direction for 2021-2030;
- Disaster recovery: national information security under Decision 05/2017/QD-TTg dated 16/3/2017; ministry/agency developed their own disaster recovery plan;
- Business continuity plan: outlined disaster scenarios and responding steps; implemented at the General Department of Customs, provincial/municipal customs offices, seaports and airports.

## 5. Viet Nam's Technical Readiness for CBPT (3)

### *Security*

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- Management agency: the Authority of Information Security; Viet Nam Cybersecurity Emergency Responses Teams/Coordination Center;
- Law on Cyber Information Security as the overarching regulation;
- Viet Nam's E-Government Information Sharing and Monitoring System was launched in 2019; by end of 2021, 31 ministries, agencies, and 63 provinces have technically connected to National Cyber Security Center;
- In 2020, MIC have launched the platform for services of Security Operations Center (SOC) for connecting and sharing information with the national cyber security monitoring system;
- 4-layers model applied for information security;
- Authentication mechanism: (i) national authenticated agency (National Electronic Authentication Centre); (ii) specialized government agency; (iii) public agency and (iv) specialized authority not for business purposes;
- Viet Nam E-document Exchange Platform was launched in March 2019 with the connection of 31 ministries and ministerial agencies and 63 provinces.

## 6. Key Recommendations

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- Improve legal framework for cross-border paperless trade;
- Strengthen technical capacity for cross-border paperless trade;
- Cybersecurity assurance;
- Deepen international cooperation in trade, with a focus on cross-border paperless trade.
  - ☑ Cooperation and capacity building under CPTPP, EVFTA and RCEP.



# Thank you!



*Xin cảm ơn!*

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