

< SIGNIFICANT IMPACTS ON CROSS-BORDER DIGITAL CONTENT PROVISION AND ONLINE GAMES IN VIETNAM >

8th May, 2025 One Asia Lawyers Vietnam Office

Decree No. 147/2024/ND-CP on the management, provision, and use of internet services and online information ("**Decree 147**") **took effect on December 25, 2024**, and supersedes the previous Decree No. 72/2013/ND-CP.

This Decree 147 serves as a comprehensive approach to Internet and Information Management in Vietnam. It applies to both domestic and cross-border information providers operating in Vietnam, including tech giants such as YouTube, Facebook, TikTok, Google, etc.

Hereinunder the target services will be subject to this Decree:

- Internet services; domain names;
- Social network services;
- Aggregated information websites;
- Online game services;
- App store services;
- Cross-border information provision;
- Information content services on mobile telecom networks;
- Telecom, internet, web hosting, data center, and telecom application service providers.

In this Newsletter, we mainly address the regulations relating to cross-border service schemes.

1. For offshore digital content providers operating in Vietnam¹

Decree 147 allows foreign digital content providers to continue providing cross-border information to users from Vietnam. However, foreign digital platforms using data archive lease services in Vietnam, or attracting 100,000 or more monthly visits from Vietnam (based on a six-consecutive-month average) must satisfy certain business conditions as follows:

• Verifying user accounts of social network services:

- Verify user accounts using mobile phone or Vietnamese identification numbers, and store the verification data alongside users' full names and birth dates.
- Verify the active accounts of social network users within 90 days from this Decree's effective date, **April 25, 2025.**
- After April 25, 2025, only verified accounts can post information (articles, comments, and live stream sessions) and share information on social networks. Moreover, the social network service providers only allow verified user accounts, as required by the law on e-identification and authentication, to use the live stream feature for commercial purposes.
- Providing notices of contact information for the Ministry of Information and Communications of Vietnam ("MIC"):
 - Once the offshore digital content providers complete the notice, they are allowed to provide live stream functions and other activities for commercial purposes in Vietnam.
 - The digital content providers must **give this notice within 60 days** of using data archive lease services in Vietnam or meeting the requirements for total visits or from this Decree's effective date for ongoing services.

Thus, the digital content providers must promptly conduct this notice to continue providing live stream functions and other commercial purposes in Vietnam.

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¹ See Clause 3 Article 23 of Decree 147



- Provide information about service users in Vietnam to competent authorities upon the latter's requests regardless of whether there is any infringement sign or not.
- Set up a regime to monitor and prevent the spread of information that violates Vietnamese laws, particularly content related to misinformation, intellectual property infringement, and privacy breaches.
- Promptly remove illegal or misleading content, services, and apps; block the accounts of breaching users **within 24 hours** when receiving the request from Vietnamese authorities.
- Install electronic instruments for receiving and handling reports from service users regarding
 content and services. Prevent and remove infringing content within 48 hours of receiving
 reports.
- Set up the tool to sweep and warn against improper content for users under 16 years old from Vietnam.
- The foreign digital content providers must obtain a cooperation agreement on content with the Vietnamese press authorities to enable the continual provision of information quoted from the Vietnamese press if demand.
- Submit periodic reports per Article 23 of Decree 147.

2. For offshore app stores²

In addition to the requirements for offshore digital content providers above, offshore app stores must comply with certain regulations when distributing apps to service users in Vietnam.

- Only allowing video games to attain the decisions or written confirmations on publication of G1, G2, G3, and G4 online video games posted and sold on the app stores.
 Consequently, offshore app stores must promptly remove unlicensed games and offshore online games from their app stores serving service users from Vietnam.
- Decree 147 states that enterprises providing Game services shall take responsibility for the truthfulness of the information and documents provided to app stores. Hence, offshore app stores are likely not jointly responsible for the violation of the online video game services posted on their stores unless otherwise directed by the authority. However, offshore app stores must remove applications violating the law within 24 hours upon requests from the Vietnamese authorities.

3. Data storage and commercial presence in Vietnam regarding offshore digital content providers³

Decree 147 only requests that domestic social network service providers archive user data at servers with IP addresses in Vietnam and have at least 01 server system placed in Vietnam; no similar regulation applies to foreign social network service providers in particular, and foreign digital content providers in general operating in Vietnam.

According to the data storage regulation in the Cybersecurity Law, foreign digital content providers are not subject to data storage requirements or the establishment of commercial premises in Vietnam unless they conduct certain breaching actions decided by the authorities on a case-by-case basis⁴.

4. Personal data protection of the service users from Vietnam⁵

Through services operating in Vietnam, foreign digital content providers have collected and processed the vast personal data of Vietnamese users.

This Decree does not specifically regulate personal data processing activities. Hence, regarding personal data processing activities, the digital content providers shall be subject to the personal data protection regulations in Vietnam, Decree No. 13/2023/ND-CP dated April 17, 2023, on the protection of personal data.

⁴ See Article 26 of Cybersecurity Law

² See Point k Clause 3 and point b Clause 5 Article 23 of Decree 147; and Clause 11 Article 82 of Decree 147

³ Clause 2 Article 26 of Decree 147

⁵ See Clause 3 Article 26 of Cybersecurity Law and Article 26 of Decree No. 53/2022/ND-CP elaborating some articles of Cybersecurity Law in Vietnam



5. For online video games ("Game")⁶

The Vietnamese Government wants to reinforce the restriction of cross-border Game services to Vietnam by requiring the establishment of a commercial presence of offshore game providers and promulgating the mandatory licensed game distribution scopes of offshore app stores, as analyzed above.

***** The conditions to circulate the Game to Vietnam:

Similar to its predecessor, Decree 147 classifies and manages online video games under 04 types of interactions⁷: G1 (Multiplayer with enterprise-hosted servers); G2 (Player-server interactions only); G3 (Multiplayer without enterprise-server interactions), and G4 (Downloadable, no player or server interactions).

To provide Games to service users from Vietnam, both foreign and domestic individuals or organizations must satisfy these key restrictions:

- Commercial presence: Establishing an enterprise in Vietnam, registering relevant business lines such as VSIC 3240 Game production, VSIC 6190- Other communication activities (Online video game provision), VSIC 5820 Software production⁸, etc.
- Foreign access restriction: Under Vietnam's WTO Commitments, the foreign capital contribution must not exceed 49% of the joint venture's charter capital. Otherwise, under the CPTPP, from **January 14, 2024**, Vietnam shall impose no limitations on foreign equity for game companies with foreign investors from CPTPP member countries. However, the foreign investor must get approval on a case-by-case basis when registering the investment under the CPTPP in practice so far.
- Must obtain a principal license to provide online games G1, and a certification for G2, G3, and G4's provision, having an effective period based on enterprises' requests, but it shall be no more than 10 years⁹.
- Get specific approval from the authority for each online video game ("Game Approval")¹⁰:
 - Decision to release online G1 video games.
 - Confirmation of notices of the release of online G2, G3, and G4 video games.

During the course of operation, the Game provider must maintain the following requirements:

- Have at least 1 server system placed in Vietnam to serve the investigation, inspection, archive, and information provision upon requests from the competent authority.
- Verify user accounts via the mobile phone.
- Regarding virtual items, virtual units, and bonuses¹¹: Not be exchanged into money or prepaid cards for mobile telecommunications services, bank cards, vouchers, game cards, gift cards, or items with transactional value outside of online video games. Moreover, players shall not trade virtual items, virtual units, and bonuses with each other.
- Regarding game card release ¹²: Enterprises providing online video game services may release Game cards and are responsible for managing them. However, the Game provider only allows the players to deposit money into its own legal online video games or in its group. In other words, Game cards shall not be used to deposit money into unlicensed online video games or for other purposes.
- Stop and shall not provide **Games that simulate casino businesses or have card images** as an official prohibition under Decree 147¹³. Due to this prohibition, VNG—a Vietnamese game tycoon—has stopped operating various online games such as Tiến Lên Miền Nam (Southern

⁶ See Section 3 Chapter II of Decree 147

⁷ See Article 37 of Decree 147

⁸ See Clause 4 Article 37 of Decree 147

⁹ See Clause 2 and 3 Article 37 of Decree 147

¹⁰ See id. at 9

¹¹ See Article 57 of Decree 147

¹² See Article 58 of Decree 147

¹³ See Point b clause 1 Article 43 of Decree 147



Poker), Tú Lơ Khơ (Vietnamese Rummy), PokerVN (Vietnamese Poker), and Crazy Tiến Lên (Crazy Southern Poker), etc.¹⁴

- It is not permitted to release the advertisement regarding each Game before getting its Game Approval.
- Having technical device systems for daily playtime control (from 00:00 to 24:00) of players under 18 years old.
- Display age-based categories on each product: Classify online video games by players' age into 04 age groups 00+ (all ages), 12+ (12-year-olds and above), 16+ (16-year-olds and above), and 18+ (18-year-olds and above).
- Formulate periodic reports per Article 61 Decree 147.

Hence, the offshore Game providers should promptly take action to become valid Game providers in Vietnam and avoid suspending or terminating connections.

In addition to independent Game applications, neither Decree 72 nor Decree 147 has clarified whether game-based applications released and used in e-commerce platforms, e.g., Lazada, Shopee, Grab, etc., are subject to Decree 147 or not. We have verbally communicated with the MIC specialists. However, they cannot provide a specified conclusion on this point. Thus, we need to wait for the coming regulations to provide insights into this game-based application category.

6. Digital Content infringing Vietnam's national security and Vietnam's law¹⁵

Foreign organizations, enterprises, and individuals shall promptly prevent and remove content infringing on Vietnam's national security and Vietnam's law within **24 hours upon requests** from written or electronic requests of the competent authorities.

If failure, the authorities will request the **Telecom, Internet, Web Hosting, Data Center, and Telecom Application Services** to adopt necessary technical measures to prevent access to online content, services, and applications violating the law **within 24 hours** upon written or electronic requests or requests via phone.

Additionally, certain fines for administrative violations should be imposed as per regulation. Consequently, preventive measures shall only be removed when violations have been handled by the breaching parties.

Current violation acts in social networks, electronic information websites, online video games, and public video games are subject to Decree No. 15/2020/ND-CP dated February 03, 2020 on penalties for administrative violations against regulations on postal services, telecommunications, radio frequencies, information technology and electronic transactions ("**Decree 15**").

The media has not reported on the drafting of new administrative penalty regulations to replace or adjust Decree 15. However, we believe that the Government will take prompt action to enact this penalty regulation to adapt to the fast-growing era of cross-border services.

Stay tuned for our upcoming newsletter where we'll provide further insights and updates on these regulatory developments affecting digital content providers in Vietnam!

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¹⁴ VnExpress. (2025, February 14). VNG đóng game bài. vnexpress.net. https://vnexpress.net/vng-dong-game-bai-4849582.html

¹⁵ See Article 23 and 59 of Decree 147



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