



VIETNAM COMPETITION AND CONSUMER AUTHORITY

ANNUAL REPORT

2018

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ABBREVIATIONS

ABBREVIATIONS	MEANING
ACCP	ASEAN Committee on Consumer Protection
AEGC	ASEAN Expert Group on Competition
APEC	Asia - Pacific Economic Cooperation
ASEAN	Association of Southeast Asia Nations
EC	European Commission
EU	European Union
ICN	International Competition Network
JICA	Japan International Cooperation Agency
ICPEN	International Consumer Protection Enforcement Network
M&A	Merger and Acquisition
OECD	Organization for Economic Cooperation and Development
VCCA	Vietnam Competition and Consumer Protection
WTO	World Trade Organization



[VIETNAM COMPETITION AND CONSUMER AUTHORITY]

The Vietnam Competition Administration Department was established in 2004 under the Ministry of Industry and Trade, with function of performing state management on competition, consumer protection and trade defense. On August 18, 2017, the Vietnam Competition Administration Department was renamed the Vietnam Competition and Consumer Authority (VCCA), which has the function of enforcing competition laws and consumer protection laws, with the aim of ensuring fair and healthy competition, creating equal opportunities for businesses to participate in the market as well as to protect legitimate rights and interests of consumers.

The most significant event in 2018 is the adoption of revised Competition Law. On June 12th 2018, the Competition Law No. 23/2018/QH14 was passed by the XIV National Assembly at the 5th session with the percentage of 95.28% of the delegates voting for approval. The Law officially takes effect from July 1st 2019. Vietnam Competition Law 2018 is amended in the direction of combining economic and legal thinking, which is also consistent with competitive practices in the market as well as international best practices.

In terms of law enforcement, in 2018, the VCCA achieved some results: (i) finished the official investigation of the Grab-Uber economic concentration case, transferred the investigation dossier to Vietnam Competition Council for decision; (ii) strictly controlled the state management over multi-level sales; (iii) successfully handled a large number of consumer complaints; and (iv) ongoing implementation of reviewing and revising the Vietnam Law on protection of consumers' rights.

Looking forward to 2019 with many changes in the legal framework as well as competition agency model: Vietnam Competition Law 2018 will officially take effect from July 1st 2019; the decrees detailing the Competition Law will also be developed and issued; National Competition Commission will be established. These changes will be important platforms to effectively implement the state management over competition and consumer protection in future.

MILESTONES OF VIETNAM COMPETITION AND CONSUMER AUTHORITY



2003

- Established Department of Competition Administration under the Ministry of Trade (now is the Ministry of Industry and Trade)
- With 07 staffs;

On December 3rd 2004 ◀
at the sixth Session of the 11th National Assembly,
the Law on Competition (Law No. 27/2004/QH11)
was passed by the National Assembly.

Established Vietnam Competition Authority ◀
(under the Ministry of Industry and Trade);

2004



2005

- **Law on Competition** officially came into effect in July 2005;
- The Government issued legal documents guiding the implementation of the Competition Law.

The Government issued Decree No. 06/ND-CP ◀
regulating the functions, tasks, powers
and organizational structure of
Vietnam Competition Authority (VCA)

VCA investigated the first case of ◀
unfair competition

2006



**2007**

- ▶ Investigation of the first **case of competition restriction**
- ▶ Become a member of the **ASEAN Expert Group on Competition (AEGC)**;
- ▶ **Established a representative office in Ho Chi Minh City.**

Received the first notification of **economic concentration related to the merger**

Investigated and decided penalties for acts of **misusing the dominant position on market**



Establish **Center for Competition and Information Data (CCID)**

2008**2009**

- ▶ Become a member of the **International Competition Network (ICN)**
- ▶ Establishment of **Representative Office in Da Nang city** and **The Investigation Training Center**

The Law on **Protection of Consumers' Rights** passed by the **National Assembly**

Investigated and **fined insurance enterprises of price fixing agreement** in the market of vehicle insurance

Hold the **chairmanship of ASEAN Expert Group on Competition (AEGC)**

2010**2011**

- ▶ The Law on **Protection of Consumers' Rights** was **officially in effective**;
- ▶ The Government issued **Decree No.119/ND-CP** amending and supplementing Decree 116/ND-CP of a number of articles of the **Competition Law**

**2013**

- ▶ The Ministry of Industry and Trade issues **Decision 848/QĐ-BCT** defining the functions, tasks, powers and organizational structure of **Vietnam Competition Authority**

Promulgated a number of **legal documents** on competition and consumer protection

2014

Tổng đài
1800 6838

2015

- ▶ Operated the **Call Center for supporting and advising consumers 1800 6838**
- ▶ Completed a final **Report on 10 years** of implementation of Competition Law

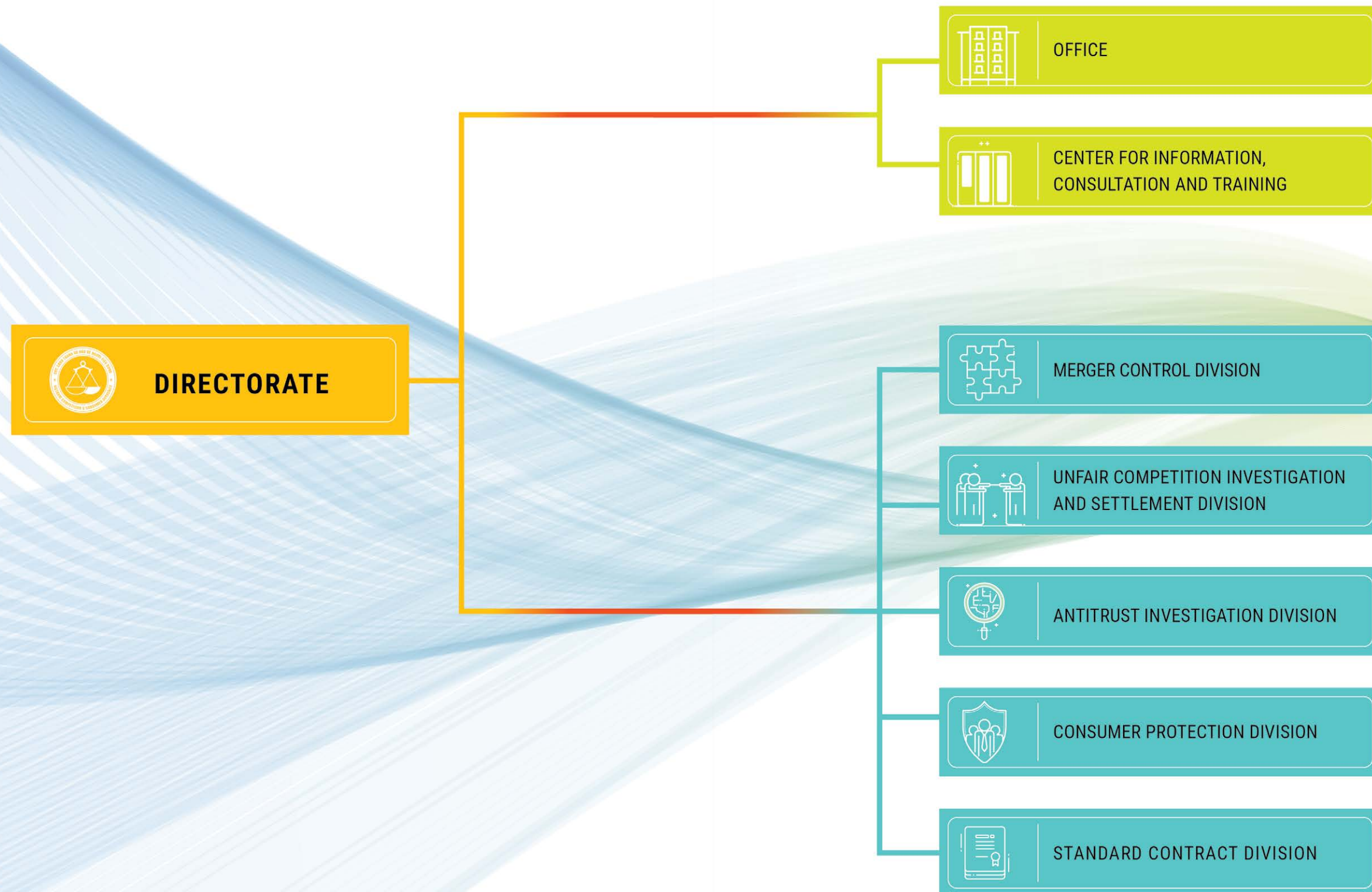
The Program of amending Law **on Competition** was **selected by the National Assembly**

The Prime Minister officially announced that the **March 15th** annually is the **Vietnam Consumers' Right Day**

2016**2017**

- ▶ Amending Competition Law
- ▶ **Vietnam Competition and Consumer Authority** was established (*separated from the Vietnam Competition Authority*)

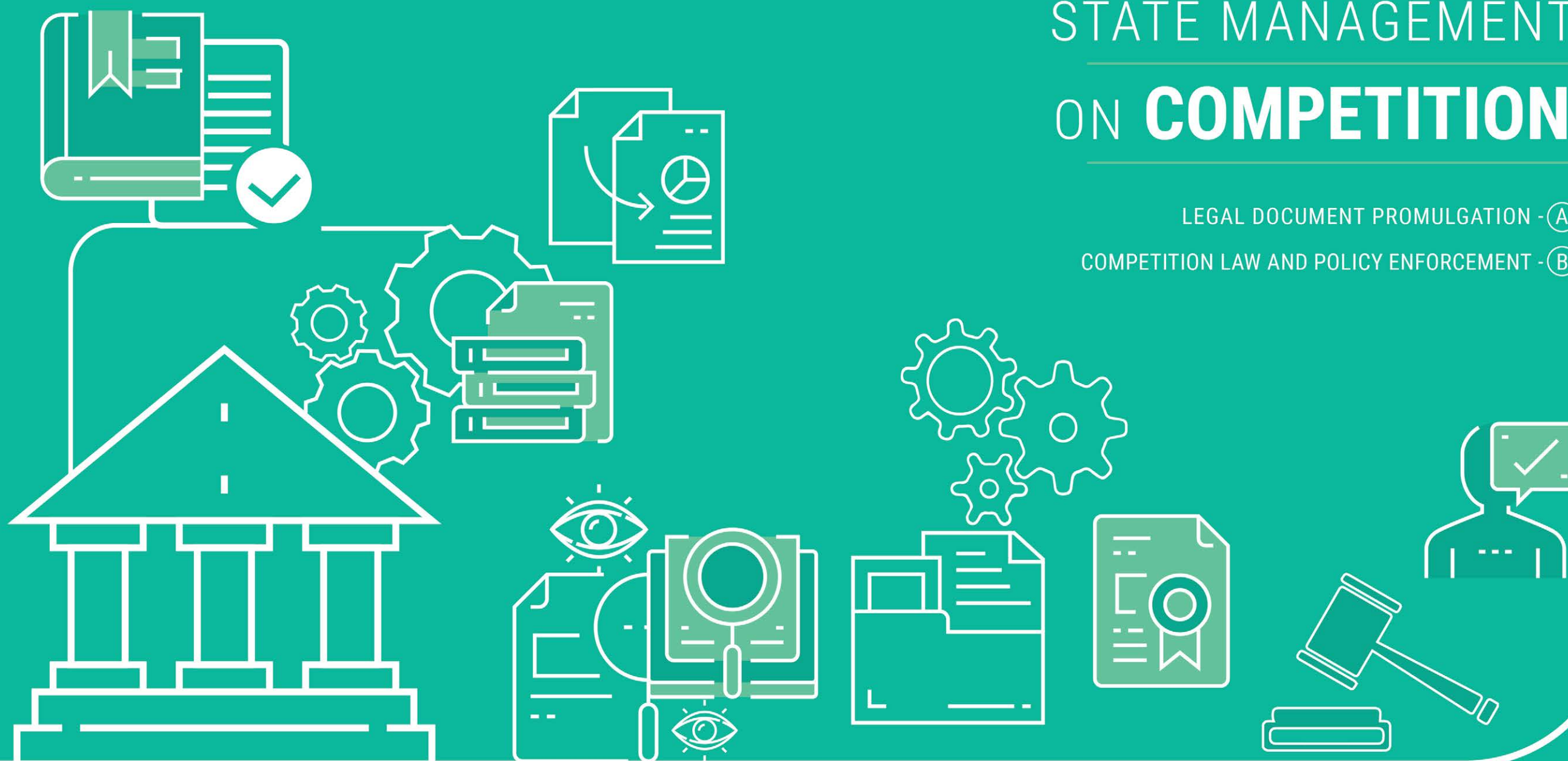
ORGANIZATION CHART
OF VIETNAM COMPETITION & COMSUMER AUTHORITY



STATE MANAGEMENT ON **COMPETITION**

LEGAL DOCUMENT PROMULGATION - (A)

COMPETITION LAW AND POLICY ENFORCEMENT - (B)



A - LEGAL DOCUMENT PROMULGATION



1

ISSUED LEGAL DOCUMENTS

1.1. Vietnam Competition Law 2018

On June 12th 2018, the Competition Law No. 23/2018/QH14 was passed by the XIV National Assembly at the 5th Session with 95.28% of the delegates voting for approval which will officially take effect from July 1st 2019. The Competition Law 2018 consists of 10 chapters, 118 articles which was amended with a close combination of economic and legal thinking, consistent with competitive practices in the market as well as international best practices.

Compared to the Competition Law 2004, Vietnam Competition Law 2018 has many important amendments and supplements including:

- (i) Extending the scope of Law application to both anticompetitive and economic concentration acts that occur outside the territory of Vietnam but have an impact or are likely to affect competition in the Vietnamese market.
- (ii) Expanding the Law applicable subjects, accordingly, the object of application of the Law is not only enterprises and business associations but also domestic and foreign agencies, organizations and individuals involving the process of competition and regulations in the market. The Law prescribes the supplementation of "relevant domestic and foreign agencies, organizations and individuals" to the subjects of Law which shall cover all subjects that may commit violation acts of Competition Law. On the basis of inheriting the provisions of the Competition Law 2004, the Competition Law 2018 also regulates the prohibited acts which applies to state agencies, particularly, state agencies are prohibited from implementing the behaviours that hinder competition in the market.



- (iii) Completing regulations to control competition restriction agreements and supplement clauses on leniency policy to enhance the effectiveness of law enforcement. The regulations on controlling competition restriction agreements was amended in the direction of expanding and changing the prohibition rules for competition restriction agreements. Specifically, the Law stipulates criteria to assess significant anti-competitive effects or possibility of causing significant anti-competitive effects as a basis for prohibiting the agreements which clearly distinguishes implicit prohibitions against group of serious competition restriction agreements as well as the principle of assessing the impact of prohibited competition restriction acts including vertical agreements.
- (iv) Supplementing criteria to determine substantial market power as a basis for identifying businesses, groups of enterprises with dominant position and monopoly position accurately as well as to reflect actual competition in the market.
- (v) Implementing the regulations on economic concentration, whereby economic concentration is considered as a legitimate right of enterprises in doing business in the market. The Law only prohibits enterprises from implementing economic concentration which has the effect or likely causes significant competition restriction in the market.
- (vi) Completing regulations to control unfair competition towards the direction of elimination of overlapping and conflicting regulations to ensure the consistency in the legal system as well as in accordance with international commitments which Vietnam is a member (FTAs/RTAs).
- (vii) Restructuring the model of a competition authority to increase the effectiveness of law enforcement, particularly the Law enhances the position and independence of Vietnam competition authority in order to conduct proceedings from the initiation, investigation and final decision making process on the violation of competition law, as well as resolving complaints on decisions of handling competition cases.
- (viii) Completing regulations on order and procedures in competition proceedings with clear delineation of stages in the process of resolving competition cases, from the initiation, investigation and handling a competition case, with specific responsibilities of procedure-conducting agencies and competition procedure conductors, ensuring that competition proceedings are clear and transparent.



1.2. Decree 40/2018/ND-CP on management of multi-level sales activities

On March 12, 2018, the Government issued Decree No.40/2018/ND-CP replacing Decree No.42/ND-CP on management of multi-level sales activities. The Decree came into effect since May 2, 2018.

Decree No. 40/2018/ND-CP consists of 8 chapters and 61 articles. Compared to Decree No. 42/2014/ND-CP, Decree 40/2018/ND-CP has some important amendments and supplements as follows:

- Requiring tighten conditions for registration of multi-level sales activities in terms of financial and technical conditions;
- Supplementing regulations to improve transparency in the operation of multi-level sales enterprises;
- Strengthening the decentralization and improving the management role of state agencies at local level;
- Supplementing the regulations to raise awareness and responsibility of multi-level sales participants.

1.3. Decree No. 141/2018/ND-CP dated October 8, 2018 amending and supplementing a number of articles of the Decree stipulating the handling of law violations in multi-level sales activities

On October 8, 2018, the Prime Minister issued Decree No. 141/2018/ND-CP amending and supplementing a number of articles of the decrees regulating law violations in multi-level sales activities. The Decree took effect from November 25, 2018. Compared to previous sanctions on multi-level sales, Decree No. 141/2018/

ND-CP has some important amendments and supplements such as:

- Updating new violations corresponding to the provisions of Decree No. 40/2018/ND-CP on management over multi-level sales activities;
- Raising sanctions for violations;
- Expanding the subjects of sanction for violations; and
- Expanding the authority for applying sanction to some competent agencies.

1.4. Circular No. 10/2018/TT-BCT detailing a number of articles of the Government's Decree No. 40/2018/ND-CP dated March 12, 2018 on management of multi-level activities

On March 12, 2018, the Government issued the Circular No. 10/2018/TT-BCT detailing a number of articles of Decree 40/2018/ND-CP. In particular, the Circular provides the two main contents including main framework for education of multi-level legal knowledge and the inspection, grant and revocation of certificates of training for legal knowledge on multi-level sales.

1.5. Other legal documents

In addition to taking the lead over the promulgation of legal documents in the field of competition, VCCA also contributed in the development of other legal documents with the aim of making sectoral policies and regulations in consistent with competition policy and law, such as: policies in the field of compiling, printing and publishing general education textbooks; Sugarcane Development Scheme to 2020; Draft Decree amending Decree No. 25/2011/ND-CP dated April 6, 2011 of the Government detailing and guiding the implementation of a number of articles of the Telecommunications Law and a number of issues related to the promotion trade in telecommunications services sector.



BOX 1

RECOMMENDATIONS FOR THE SUGARCANE DEVELOPMENT SCHEME TO 2020 AND THE VISION TO 2030 OF THE MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT

1. Comments and recommendations

On April 18, 2018, the Minister of Agriculture and Rural Development issued Decision No. 1369/QĐ-BNN-CBTTNS on approving the Sugarcane Development Scheme to 2020 and the vision to 2030. Article 1, Section IV.3.a of Decision No. 1369/QĐ-BNN-CBTTNS stipulates the content "Enhancing the role of the Vietnam Sugarcane Association in developing and implementing price control mechanisms to purchase sugarcane materials from farmers; wholesale sugar prices of factories; export sugar prices; sugar selling prices on the domestic market".

2. Competition concerns and comments

Ministry of Industry and Trade supports the policy of the Ministry of Agriculture and Rural Development in issuing Decision 1369/QĐ-BNN-CBTTNS in order to establish and implement solutions to improve competitiveness as well as to ensure sustainable development of the sugar industry in the context that Vietnam has been deeply integrating into the regional and global economy.

However, after reviewing the Decision on the basis of the provisions of the competition law, the Ministry of Industry and Trade stated that the content specified in Article 1, Section IV.3.a Decision No. 1369/QĐ-BNN-CBTTNS may lead to a risk of competition law violations of the Sugar Association and its members during the implementation process. Specifically, Article 9 of the Vietnam Competition Law 2004 prohibits enterprises with combined market shares in the relevant market over 30% to conduct agreements of fixing prices of goods or services directly or indirectly, restricting or controlling the quantity and volume of production, purchase and sale of goods and services.

Therefore, on May 7, 2018, the Ministry of Industry and Trade issued Official letter No.3531/BCT-CT recommending the Ministry of Agriculture and Rural Development to review the contents mentioned in Article 1, Section IV. 3.a Decision 1369/QĐ-BNN-CBTTNS.

2. DRAFTING LEGAL DOCUMENTS

- The Decree detailing some articles and guiding the implementation of the Competition Law 2018;
- The Decree detailing and guiding the implementation of the Competition Law 2018 on handling competition violations;
- The Decree regulating the functions, tasks and organizational structure of the Vietnam National Competition Commission.

B - COMPETITION LAW AND POLICY ENFORCEMENT



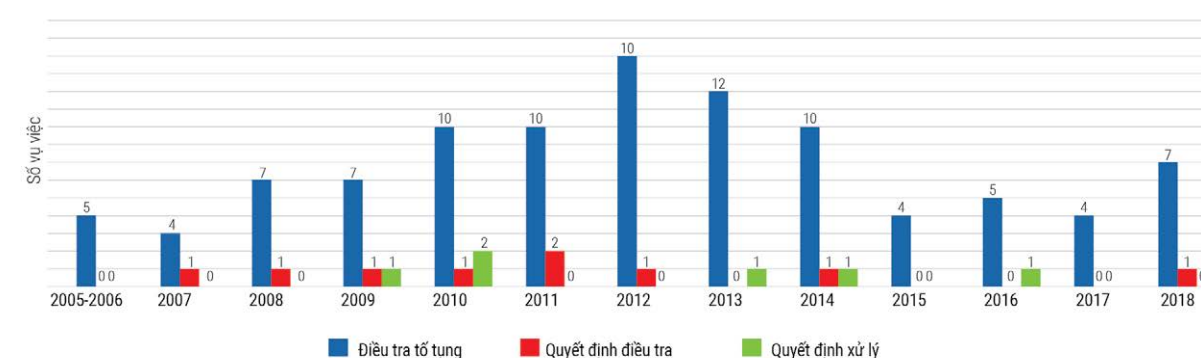
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COMPETITION RESTRICTION CASE INVESTIGATION

In 2018, VCCA continued to strengthen the investigation of competition restriction acts, reviewed some key markets to detect and clarify signs of violation of the Competition Law.

Specifically, VCCA actively verified and clarified some signs of law violations on competition restriction agreements regarding bid-rigging in some provinces such as Hanoi, Da Nang, Tien Giang and Ca Mau. VCCA also resolved petitions, complaints from organizations and individuals on acts of violating competition law. At the same time, VCCA also strengthened the review on some key markets to detect signs of violation including the automobile, motorbike, sugarcane, petrol, etc as well as some complicated market structures such as platform market, distribution of film and movie, tourism and so on. In addition, VCCA verified and solved a number of cases in some sectors such as agricultural products, postal and provided appropriate recommendations for sectoral management agencies to ensure fair competition in the market.

Statistics of cases of abuse of dominant/monopoly position and competition restriction agreements



EVALUATION OF EXEMPTION ON PROHIBITED COMPETITION RESTRICTION AGREEMENTS

In 2018, VCCA conducted supervision of the exemption of competition restriction agreement between Vietnam Airlines and Societe Air France in air passenger transport services market, specifically in the HAN-CDG routes (and vice versa) and SGN-CDG (and vice versa) according to the Decision No. 3872/QD-BCT of the Ministry of Industry and Trade dated October 9, 2017.

- VCCA also reviewed 01 application for exemption of competition restriction agreement by Jetstar Pacific Aviation Joint Stock Company (Jetstar Pacific) representing a group of businesses including Jetstar Pacific Company, Jetstar Airways PTY Limited (Jetstar Airways), Jetstar Asia Airways PTE. LTD (Jetstar Asia) and Jetstar Japan CO.LTD (Jetstar Japan). On August 30, 2018, the Ministry of Industry and Trade issued Decision No.3105/QD-BCT on granting exemption for competition restriction agreement between Jetstar Pacific Airlines and Jetstar Asia Aviation Joint Stock Company, Airways PTE.LTD in the service of transporting passengers by air on Da Nang - Singapore route (and vice versa).

ECONOMIC CONCENTRATION

As implementing the function of state management on economic concentration activities, in 2018, the VCCA received and handled 04 economic concentration notifications; receiving and providing consultations of 03 economic concentration cases; actively reviewed 05 economic concentration cases; and investigated 01 economic concentration case of violating competition law, specifically:

3.1. Receiving and processing 04 dossiers of economic concentration notification:

- (i) An economic concentration notification between Toyota Motor Corporation and Mazda Motor Corporation;
- (ii) An economic concentration notification of Heineken Vietnam Brewery Co., Ltd. acquiring Heineken Brewery Hanoi Co., Ltd.;
- (iii) An economic concentration notification of Heineken Vietnam Beer and Beverage Co., Ltd acquiring International Beer and Beverage Company Limited;
- (iv) An economic concentration notification of Truong Thanh Wood Industry Corporation and Thien Thanh Porcelain Joint Stock Company.

Through the reviewing process, the notification dossiers are allowed to proceed under the provision of competition law.

BOX 2

ECONOMIC CONCENTRATION NOTIFICATION OF VIETNAM HEINEKEN BREWERY CO., LTD. ACQUIRING HEINEKEN BREWERY HANOI CO., LTD.

1. Merging parties

- Heineken Vietnam Brewery Company Limited
- Heineken Brewery Hanoi Co., Ltd.

2. Case content

In order to reorganize the operation model and adjust the management of Heineken brand in Vietnam, Heineken Vietnam Brewery Co., Ltd. decided to buy Heineken Hanoi Co., Ltd. in the form of transferring the entire capital contribution. After the acquisition, Heineken Vietnam will become the sole owner of Heineken Hanoi. However, Heineken Vietnam and Heineken Hanoi are still independent entities.

3. Reviewing results

On September 28, 2018, VCCA issued an official letter to accept the economic concentration between Heineken Vietnam Brewery Co., Ltd and Heineken Hanoi Co., Ltd. The economic concentration case is not prohibited under the provisions of Vietnam Competition Law. Accordingly, companies are allowed to carry out economic concentration procedures at competent state agencies in accordance with the Law on Enterprises.



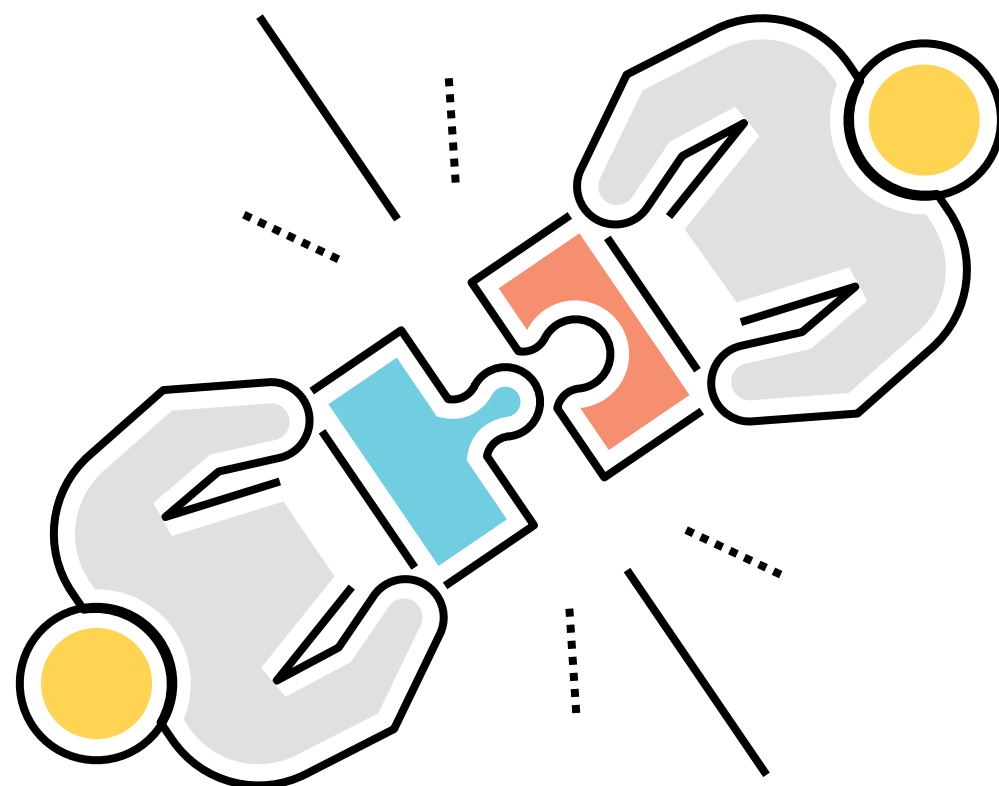
3.2. Receiving and providing consultations of 03 economic concentration cases:

- (i) A consultation dossier of economic concentration between Duc Giang Chemical and Detergent Joint Stock Company;
- (ii) A consultation dossier of economic concentration between Gemadept Joint Stock Company and CJ Logistics Hong Kong Holdings Limited Company;
- (iii) A consultation dossier of economic concentration between Saigon Paper Joint Stock Company and Sojitz Group of Japan;

After the consultation process, these economic concentration cases were allowed to conduct in accordance with the Vietnam Competition Law.

3.3. Actively reviewing 05 economic concentration cases:

- (i) An economic concentration case of establishing Joint Venture CJ HK Entertainment Company Limited between CH Holdings Limited and Hoan Khue Film Production Joint Stock Company; the case review was based on the information provided by Vietnam Association of Film Distribution and Dissemination;
- (ii) An economic concentration case between Korea Motor Hyundai and Hyundai Commercial Joint Stock Company;
- (iii) An economic concentration case between The Nawaplastic Industries Company (Saraburi) Co., Ltd (Thailand) and Binh Minh Plastics Joint Stock Company;
- (iv) An economic concentration case of Vincommerce acquiring Fivimart supermarket system;
- (v) An economic concentration case between Son Ha International Joint Stock Company and Toan My Production and Trading Joint Stock Company



BOX 3

CH HOLDINGS LIMITED AND HOAN KHUE FILM PRODUCTION JOINT STOCK COMPANY

1. Merging parties

- CH Holdings Limited
- Hoan Khue Film Production Joint Stock Company
- CJHK Entertainment Company Limited

2. Case content

CH Holdings Limited (a subsidiary of CJ E&M Corporation - Korea) and Hoan Khue Film Production Joint Stock Company contributed their capital and assets to establish a joint venture namely CJ HK Entertainment Co., Ltd. (CJHK).

The transfer of their assets, rights, obligations and legitimate interests to establish a new enterprise (CJ HK) is an act of economic concentration in the form of joint venture stipulated in Clause 4 Article 16 and Clause 4 Article 17 of Vietnam Competition Law 2004.

3. Concern of competition

The establishment of a joint venture has changed the market structure of film production in the direction of increasing the number of film production enterprises and increasing the level of competition in the market. Meanwhile, the combined market share of economic concentration parties in the relevant market is less than 30%. Therefore, the economic concentration case does not fall under the notification threshold and is not prohibited under the competition law.

However, VCCA has reviewed and evaluated the case in the context of a group of associated enterprises (stipulated in Article 10 of Decree No. 116/2005-ND-CP), which means that the joint venture parties affiliated with Korean CJ Group have a market power and dominant position in film production, distribution and projection in Vietnam.

4. Reviewing results

As such concern, VCCA shall continue to monitor and supervise the case as well as competition issue in the film sector of CJ Group enterprises in Vietnam market.

Although the above economic concentration cases have certain concerns on competition, they are not under the notification threshold and not prohibited cases under the competition law. Hence, the VCCA shall continue to monitor and supervise the market.

3.4. Conducting an investigation of violation case on economic concentration

On May 18, 2018, VCCA issued Decision No. 64/QD-CT officially investigating the economic concentration case between Grab and Uber in Vietnamese market.

BOX 4

ECONOMIC CONCENTRATION CASE BETWEEN UBER AND GRAB

1. Enterprises under investigation

- Uber Group
- Grab Inc. Group
- Uber Vietnam Company Limited
- GrabTaxi Company Limited

2. Case Content

On March 25, 2018, Uber and Grab Inc. signed a Purchase Agreement on Uber's resale of its business in 08 Southeast Asian markets, including Vietnam, to Grab Inc..

In Vietnam, on March 25, 2018, GrabTaxi Co., Ltd. (GrabTaxi) and Uber Vietnam Co., Ltd. also signed a Bill of sale which transferred and accepted the obligations regarding the sale of assets by Uber Vietnam, Uber's business activities and other benefits to GrabTaxi.

From 11.5 p.m on April 08, 2018 (Vietnam time), Uber's application in Vietnam is officially inactive.

On April 16, 2018, Director General of VCCA issued Decision No.45/QD-CT on preliminary investigation of the competition restriction case to clarify the sign of violation. On the basis of the preliminary survey results, on May 18, 2018, Director General of VCCA issued Decision No. 64/QD-CT officially investigating the competition case. On November 30, 2018, Director General of VCCA signed the conclusion of investigation of the competition case in accordance with Clause 9, Article 76 of the Competition Law.

3. Concern on competition

Based on the results of verifying facts, evidences of the case, VCCA determined that the acquisition between Grab and Uber violated Competition Law and might be sanctioned of fines as follows:

- (i) Acts of not notifying economic concentration specified in Article 20 of the Competition Law; and
- (ii) Under the prohibited economic concentration acts stipulated under Article 18 of the Competition Law.

In addition, VCCA also reviewed and assessed the impact of competition restriction on the market: Grab and Uber are direct competitors and both have market power. Therefore, Grab's acquisition of Uber in Southeast Asia, including the Vietnamese market, changed the market structure in the direction of reducing the number of enterprise operating in the market and forming an enterprise with substantial market power, thus having potential risk of abusing its dominant position, limiting competition in the market.

4. Investigation results

In 2018, VCCA completed its official investigation, transferred the investigation reports, investigation conclusions and the entire dossiers of competition case to Vietnam Competition Council for final settlement according to the provisions of the competition law. VCCA also recommended the Vietnam Competition Council to apply a number of measures to reduce the competition restriction effect.



INVESTIGATION AND SETTLEMENT OF UNFAIR COMPETITION CASES

In 2018, VCCA conducted the investigations and decided infringements of 05 unfair competition cases with a total fine of VND 615 million. The violation cases focused on 03 behavioural groups: misleading indications, advertisement with confused information for the purpose of unfair competition or advertisement with direct comparison contents.

Some typical cases

VCCA fined An Suong Commercial Service Joint Stock Company VND 60 million for the behaviour of advertisement for the purpose of unfair competition in the form of “direct comparison of goods to other enterprise’s goods” as stipulated in Clause 1, Article 45 of the Competition Law.

BOX 5

VCCA FINED AN SUONG COMMERCIAL SERVICE JOINT STOCK COMPANY WITH VND 60 MILLION FOR UNFAIR COMPETITION ADVERTISING

1. Related parties

Do Thanh Auto Joint Stock Company complained An Suong Commercial Service Joint Stock Company

2. Case contents

According the complaint of Do Thanh Auto Joint Stock Company, An Suong Commercial Joint Stock Company posted video clips entitled “Comparison of Tera 230 and IZ49 trucks” on Youtube channel “An Suong Auto - Turnkey” since the end of 2017. The advertisement compared Tera 230 truck products of An Suong Company with IZ49 truck products of Do Thanh Auto Joint Stock Company.

3. Settlement result

Through the investigation process, VCA concluded that An Suong Commercial Service Joint Stock Company conducted “advertising for the purpose of unfair competition in the form of direct comparison their products with other competitors’ enterprises” which violated Clause 1 Article 45 of the Competition Law. VCCA have sanctioned An Suong Commercial Service Joint Stock Company with a fine of VND 60 million.

VCCA conducted investigation and sanctioned Mumuso Vietnam Import and Export Company Limited with a fine of VND 110 million for misleading indications of goods origin.



BOX 6

SANCTIONING MUMUSO VIETNAM IMPORT-EXPORT CO., LTD FOR MISLEADING INDICATIONS OF GOODS ORIGIN

1. Related parties

Mumuso Vietnam Import - Export Company Limited.

2. Case contents

On the basis of the conclusion of a sudden inspection to Mumuso Vietnam Co., Ltd by Inspection Team - Ministry of Industry and Trade, VCCA initiated an investigation for misleading advertising acts that provide confused information of production and origin of goods; which violated Clause 3, Article 45 of the Competition Law, specifically:

Although the company's products originated mainly from China (accounting for more than 99.29%), Mumuso advertised publicly at the entrance of their business locations: “Mumuso; Price only from VND 22,000; KOREA”. In addition, in the product bags for consumers when purchasing products at their shops, the content of KOREA text is advertised as above.

3. Settlement result

VCCA concluded that Mumuso provided misleading information that confuses customers about the origin of goods, the place of production (causing confusion between Korea and China), their practice violated Vietnam Competition Law and was fined VND 110 million.

MANAGEMENT OVER MULTI-LEVEL SALES ACTIVITIES

a) Inspection and handling violations

VCCA has conducted inspection and sanctioned 04 multi-level sales enterprises on violations of multi-level sales law with the amount of VND 1,060,000,000.

VCCA sanctioned Greenlife a fine of VND 510 million for violations of regulations on multi-level sales

BOX 7

SANCTIONING GREENLIFE INTERNATIONAL TRADE GROUP JOINT STOCK COMPANY A FINE OF VND 510 MILLION ON VIOLATIONS OF MULTI-LEVEL SALES LAWS

1. Related parties

Greenlife International Trading Group Joint Stock Company

2. Case contents

Based on the inspection results of the compliance with the regulations on multi-level sales, VCCA investigated multi-level sale activities of Greenlife International Trading Group Joint Stock Company. The inspection results concluded that Greenlife has infringed the following acts:

- Implementing their multi-level sale activities at some provinces without the registration of multi-level sales notification dossier at the local Department of Industry and Trade;
- Failing to fulfill the obligation to amend and supplement multi-level sale registration certificates when there are changes or supplements related to dossiers of application for multi-level sale registration certificates according to regulations;
- Conducting improperly and inadequately the obligation to grant multi-level sale network membership cards to participants;
- Conducting improperly and incompletely the obligation of periodically report to competent state agencies according to the provisions of law;
- Requesting people who want to participate in multi-level sales to buy a number of goods in order to join the multi-level sales network;

- Providing false or misleading information about the use of goods to entice others to participate in multi-level sales;
- Maintain more than one multi-level business position for the same multi-level sales participant..

3. Result of settlement

VCCA sanctioned Greenlife International Trading Group Joint Stock Company with a fine of VND 510 million for the above violations.

b) Granting, modifying and supplementing registration certificates of multi-level sale activities

- In 2018, VCCA received 24 registration dossiers. VCCA granted none of dossiers of granting of multi-level sales registration certificates, returned 17 dossier and 7 dossiers were under processing.

- Granting the modification and supplementation of certificates: The total number of dossiers granted for amendment and supplement is 60, of which 11 dossiers were accepted, 25 dossiers were returned and 24 dossier were under the processing.

c) The settlement of complaints and denunciations related to multi-level sales activities

VCA has received and instructed to resolve 120 petitions and complaints.



STATE MANAGEMENT OVER **CONSUMER PROTECTION**

LEGISLATION DEVELOPMENT - (A)

CONSUMER PROTECTION ENFORCEMENT - (B)



Tổng đài
1800 6838



A - LEGISLATION DEVELOPMENT



1

ISSUED LEGAL DOCUMENTS

1.1. Decision amending Decision No. 35/2015/QĐ-TTg on promulgation of essential goods and services subjected to registration for standard contract form and general transaction conditions

On September 5, 2018, the Prime Minister issued Decision No. 38/2018/QĐ-TTg amending the Decision No.35/2015/QĐ-TTg dated August 20, 2015 on amendments and supplements of the Decision No. 02/2012/QĐ-TTg dated January 13, 2012 of the Prime Minister on promulgation of essential goods and services subjected to registration for standard contract form and general transaction conditions. The Decision comes into effect on October 22, 2018, removing the service of issuance of domestic debit cards, opening and using payment account (applicable to individual customers), personal loans (for consumption purposes) from the list of essential goods and services subjected to registration for standard contract form and general transaction conditions.

1.2. Directive of the Secretariat of the Communist Party of Vietnam on strengthening the Communist Party's leadership and the State's management responsibility for consumer protection

On January 22, 2019, the Central Executive Committee issued the Directive No. 30-CT/TW of the Secretariat of the Communist Party of Vietnam on strengthening the Party's leadership and the State's management responsibility on consumer protection. The Directive affirms that consumer protection is an important, regular, long-term task and responsibility of Party Committees, authorities at all levels in the political system as well as relevant organizations in the society. Based on the assessment of current situation, recognizing the drawbacks, the Directive has issued 06 groups of specific solutions which should be taken by Party committees, Party organizations, authorities, Fatherland Front and other related organizations at all levels to promote the achieved results, overcome the limitations and weaknesses for improving the effectiveness of consumer protection in the new context and situation.

2

DRAFTING LEGAL DOCUMENTS

2.1. Develop a Scheme summarizing the implementation of the Law on Protection of Consumers' Rights and guiding documents

The Law on Protection of consumers' rights came into effect since July 1, 2011. After more than 08 years of enforcement, the Law has significantly contributed in building a healthy consumer environment, better protecting legitimate rights and benefits of related entities, especially those of consumers. However, at present, in the context of domestic and international circumstances with many changes such as Vietnam's deep integration in the international market, the appearance of new forms of doing business and consumer transactions, the implementation of the Law on Protection of Consumers' Rights has been facing challenges, among them are a number of regulations which have become inappropriate compared to the reality. In implementing the Prime Minister's decision, VCCA is in charged of developing a Scheme summarizing the implementation of the Law on Protection of Consumers' Rights and guiding documents aiming at assessing the current status of law enforcement, thereby proposing solutions to enhance the effectiveness of consumer protection in the coming time.

2.2. Decision amending Decision No. 35/2015/QĐ-TTg on promulgation of essential goods and services subjected to registration of standard contract form and general transaction conditions (making assessment for recommendation to the Prime Minister to remove the life insurance service from the list of goods and services subjected to registration for standard contract form, general transaction conditions.



B - CONSUMER PROTECTION ENFORCEMENT

1

CONSULTATION AND SETTLEMENT OF CONSUMER COMPLAINT

In 2018, VCCA supported and resolved 443 consumer complaints recorded via emails, post or direct complaints; in which the number of complaints via email is highest (accounting for 76% of complaints). By the end of 2018, more than 94% of complaints have been successfully resolved by agreements between consumers and enterprises; however there are still some unresolved cases due to insufficient information provided by consumers.

Among them, VCCA has successfully resolved a number of complaints which have deep influence on a large number of consumers, namely:

The case of 02 pay television enterprises (VTVcab and Viettel NextTV) cut off some pay TV channels (recorded more than 10,000 complaints and inquiries).

- The case of Apple slowed down some old generation of Iphone products: VCCA worked with Apple's representatives in Vietnam. As a result, Apple's representatives in Vietnam run the program of replacing battery with preferential price for consumers in Vietnam. Currently, VCCA continues to monitor closely the case for any signs of violations of consumer protection.

- Online transactions: In 2018, VCCA recorded a large number of complaints relating to e-commerce transaction (91 cases), most of which focused on the operation of some online websites such as Lazada, Shopee, Sendo, Tiki ... For such cases, in addition to work closely with enterprises for complaint clarification and resolvment, VCCA also coordinated with the Department of E-Commerce and Digital Economics (MOIT) for inspecting enterprises's operation and handling violations of administrative law (if any) of related websites.

- The case of transaction of Deaura cosmetics and loan contract at FE Credit Company, Vietnam Prosperity Joint Stock Commercial Bank (VP Bank).

- The case of 82 consumers complained about the condominium project at 83 Ngoc Hoi, Hoang Mai, Hanoi; the case of the D'Capitale Tran Duy Hung project (more than 200 complaints); the case of Discovery Complex 302 Cau Giay, Hanoi.

Typical case information

BOX 8

VTVCAB SUDDENLY CUT OFF SOME TELEVISION CHANNELS

1. Related parties

- Vietnam Television Cable Corporation (VTVcab)
- Consumers.

2. Case contents

In March 2018, VCCA received a large number of complaints relating to series of pay TV channels have been cut by VTVcab without prior notice to consumers. The detailed information as follows:

VTVcab made the adjustment of its TV channels. Despite being announced in advance about the adjustment through mass media (website, notices on a number of TV Cab channels, VTV, electronic newspapers ...), 23 TV channels (HBO, Cinemax, FoxSport1, FoxSport2, AXN, RED, CNN, BBC, Cartoon Network, Disney Channel...) had been cut without any notifications to consumers in accordance with provisions in their service contracts.

3. Consumer protection concerns

The action of VTVcab not notifying in advance to consumers before cutting off 23 above-mentioned TV channels violates the Law on Protection of consumers' rights, namely violating the responsibility of enterprises to provide their customers with information of service in a clear, complete, timely and accurate manner. In addition, the pay television service contract is a continuous, prepaid service contract. Cutting off the prepaid television channel without getting prior consent of customers shall directly affect consumers' rights.

4. Handled results

Based on the working results with VTVcab, VCCA concluded that VTVcab violated the Law on Protection of consumers' rights on the responsibility of enterprises in providing consumers with proper information. In addition, VCCA also issued a notice publishing commitments of VTVcab to consumers regarding this issue and guiding consumers how to handle a complaint, specifically:

- VTVcab have to provide consumers with consultation, guidance and convince customers to continue experiencing the new channels provided as pilot program until April 30, 2018.
- From April 30, 2018, if the consumers do not satisfy with VTVcab services, they can request to stop using service. VTVcab shall settle consumer's requests by: (i) Refunding consumers the amount money for the pilot program (01-02 months); (ii) Repaying in full the amount of money prepaid by the consumer after deducting service fee used; (iii) Refunding the cost of equipment installed for operating VTVcab's service (in accordance with the amount of invoices, documents provided by consumers) and collect equipment that VTVcab had previously offered consumers free of charge.
- VTVcab will terminate the service contract after fulfilling all obligations to consumers.

In case of having any requirement for consultation and assistance, consumers can contact for support via:

- VTVcab hotline: 1900 1515
- Free toll Call Center: 1800 – 6838 or email: vcca@moit.gov.vn

BOX 9

CASES RELATED TO CONSUMER CREDIT

1. Related parties

- Defendant: Some financial companies providing consumer credit services
- Complainants: a large number of consumers not using credit services but constantly being “mistakenly debt collected”.

2. Case contents

In the first 6 months of 2018, VCCA received a large number of complaints relating to a huge number of consumers being “mistakenly debt collected” by financial companies. According to complaints, some consumers have not used any service from financial companies but were being constantly called, texted for debt collection or urged to repay for the loan made by their relatives, colleagues. Some individuals (debt collectors) called and texted with contents insulting consumers, even in some cases the company had sent people to consumer’s home to threaten and make pressure to consumer with the purpose of collecting loan.

3. Handled results

As requested by VCCA, related parties coordinated with consumers to solve complaints case by case. The results showed that most of cases arising due to the following reasons: (i) The company fails to verify the information of the phone subscriber, even if being asked to check and adjust the subscriber information (in many cases, a complainant repurchased the phone number from a borrower who had a loan with the financial companies and then not using the phone number without notifying the financial company in purpose due to their inability to arrange the payment); (ii) The financial company fails to fully and accurately verify the phone number provided by the borrower in the loan application file before approving the loan; (iii) Employees of financial companies apply improper debt collection measures (threatening consumers) ... For these cases, the financial company has applied measures to the related employees, updated correct information in the database and apologized to consumers. For some cases arising due to consumers’ faults (mainly violating payment obligations), VCCA asked the related parties to negotiate, reconcile and comply with the provisions of the signed service contract.

4. Consumer recommendation

- When being “mistakenly debt collected”, consumers should inform the financial companies without any delay supported by relevant documents (if any).
- Contact consumer protection authority, banking inspection agency or telecommunications regulators for assistance.
- Before signing consumer credit loan transactions, it is advisable that the consumer should carefully consider the credit service information such as service provider, type of service, credit contract. Pay attention on specific information like monthly interest rate, total amount must be paid in due course; rights and obligations of related parties...

BOX 10

THE CASE OF CONSUMERS BEING “CHEATED” WHEN BEING INVITED TO BUY GOODS OVER THE PHONE

1. Related parties

Defendant: Some organizations and individuals advertising for sales via phone.
Complainants: a large number of consumers purchasing product via phone.

2. Case contents

VCCA received a number of consumers’ complaints about being invited to buy goods over the phone. Namely, the product offered is a phone worth about VND 4 million with a gifted shopping card which can be used in nationwide supermarkets. The goods are delivered by post by the method of cash collection on delivery (Cash On Delivery - C.O.D) and the consumer is allowed to open the parcel upon making payment. However, after making payment and receiving the goods, consumers found that the phone was of a very low value and the gifted shopping card is worthless.

3. Handled results

The handling of the above mentioned cases is often difficult as it is impossible to identify the contact point (the phone number was not registered or registered under a fake name or the phone number of contact point has been changed...). Therefore, regarding this issue, one of the actions that VCCA has taken is that publishing “warning information” in VCCA website and coordinating with some press agencies to conduct advocacy activities warning consumers about the similar cases.

For a number of cases having contact points, VCCA assisted the related parties to negotiate and resolve the problem. For some other cases, VCCA guided consumers to make claims to police agencies for timely assistance.

4. Consumer recommendation

For these cases, VCCA has been cooperating with relevant state management agencies (the agency of police, department of market management, e-commerce, telecommunications ...) to develop measures for strengthening management and preventing similar violations.

- When purchasing in the remote form (online, telephone, television purchasing ...), consumers should double check the information before making transactions and only make transactions with reputable business organizations/individuals who have specific address and proper contact point.
- Be cautious with offers to buy goods at too low prices or with too favourable conditions compared to others on the market.
- Before conducting consumer credit loan transactions, it is necessary to find out carefully the service information such as service providers, types of services, credit contracts. Be aware of specific information such as monthly interest rate, total payable amount and time for payment; rights and obligations of related parties...

VCCA supervised the implementation of 09 recall programs of defected products, details as follows:

No	Product	Quantity	Company	Beginning recalling time	Technical error
1	Suzuki FU150FI Raider	4.443 cars	Suzuki Vietnam (VISUCO Company)	22/11/2018	Main electric padlock
2	Nissan Navara LE and XE	3.073 cars	Nissan Vietnam	20/12/2017	Airbag on passenger side
3	Lenovo ThinkPad X1 Carbon 5th Generation	72 products	Lenovo (Singapore) Pte. Ltd. (Lenovo Company)	06/02/2018	Battery
4	Mitsubishi Lancer, Outlander Sport, Outlander PHEV, Outlander,	918 cars	Mitsubishi Vietnam	07/05/ 2018	Metal weld inside the relay (unqualified)
5	Electric kettle Kitchen Aid	60 pieces	Dong Duong Sai Gon Company	3/2018	The handle is separated from the kettle
6	Honda City (1.5L AT and 1.5L MT 2013 and 2014)	1552 cars	Honda Vietnam	10/03/2018 to 09/03/2019	Airbag
7	3-wing ceiling fan Mitsubishi Electric	15.133 pieces	Mitsubishi Electric Vietnam	10/09/2018 to 10/12/2018	Safety reinforce for some ceiling fan models
8	Mitsubishi Outlander (2017 and 2018)	918 cars	Mitsubishi Vietnam	2018 to 18/11/2020	Soft ware
9	Suzuki FU150FI	720 cars	Suzuki Vietnam	01/08/2018	Chassis

In 2018, within the framework of implementing the consumer protection duty, VCCA conducted specialized inspections of 05 enterprises: Home Credit Vietnam; EB Services Company Limited Big C Vietnam; Mobile World Investment Company; Tan Hiep Phat Trading and Service Co., Ltd; Mobifone Telecommunication Corporation; fined 03 enterprises for violating Law on Protection of Consumers' rights with the amount of VND 442,000,000.

In addition, in coordination with Vietnam eCommerce and Digital Economy Agency, VCCA joined 11 inspections led by Vietnam eCommerce and Digital Economy Agency, fined for administrative violations in consumer protection with a total amount of VND 150,000,00.

REGISTRATION OF STANDARD CONTRACT FORM AND GENERAL TRANSACTION CONDITIONS

- In 2018, VCCA received **539** dossiers registered for standard contract form and general transaction conditions and **245** dossiers of life insurance in accordance with the coordination regulation between the Ministry of Industry and Trade and the Ministry of Finance in product approval, registration of standard contract and general transaction conditions.

- VCCA processed 529 dossiers, **10** dossier are under on the process of assesment. Among 529 dossiers processed, 207 dossiers were approved (39%), others were unapproved, details as follow:

Year	Apartment	Insurance	Banking	Telecommunication	Transportation	Electricity and household water
2017	240	233	318	57	1	8
2018	152	240	108	30	3	6



SUPERVISION OF THE IMPLEMENTATION OF CONSUMER PROTECTION LAW

In 2018, VCCA conducted the Report on “Supervising the implementation of the legislation on controlling of standard contract form and general transaction conditions over 6 years in locality “. The Report has evaluated the positiveness as well as shortcoming regarding the control of standard contract form and general transaction conditions in the localities over the past 6 years, thus proposing solutions to improve the efficiency and consistency of the state management over standard contract form and general transaction conditions.

+ In addition, VCCA also conducted the program of “Supervising the implementation of the legislations on the application of standard contract form and general transaction conditions over apartment sector “. At present, VCCA has sent official letters to 200 enterprises requesting for report. Supervising results will be completed in the first half of 2019.

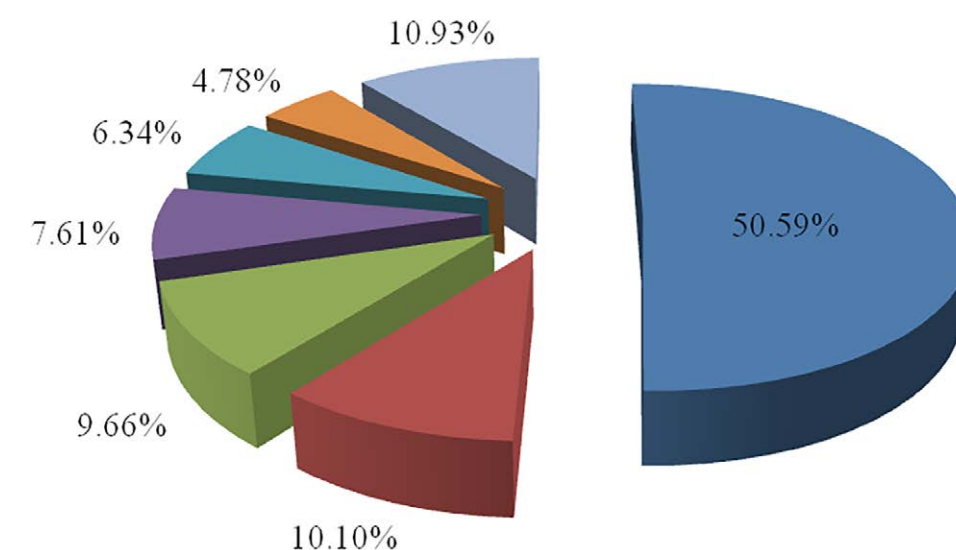
OPERATION OF FREE-TOLL HOTLINE 1800.6838 ON CONSUMER PROTECTION

In 2018, the Toll free Call Center recorded 8,505 incoming calls, of which VCCA provided 5,205 response calls, accounting for 61.2%. Of the 5,205 response calls, 2,050 calls related to disputes between consumers and organizations/individuals doing business in specific goods and services, details as below:

Statistics of call recorded, responded via Call Center 1800.6838

No	Goods, services	Recorded call	Ratio
1	Finance, Insurance, Banking	1,037	50.59%
2	Household electronics	207	10.10%
3	Telephone, Telecommunications	198	9.66%
4	Daily consumption goods	156	7.61%
5	Medical, health care	130	6.34%
6	Transportation services	98	4.78%
7	Fashion, jewellery	26	1.27%
8	Travel, restaurant	25	1.22%
9	Real estate, housing	24	1.17%
10	Furniture	23	1.12%
11	Computer, internet connection	21	1.02%
12	Education and entertainment	18	0.88%
13	Energy, environment	3	0.15%
14	Office equipment	6	0.29%
15	Others	78	3.80%
Total		2,050	100%

According to the statistics, among 14 above sectors of goods and services with considerable numbers of complaints, consumer credit services in the financial, insurance and banking sectors recorded the highest numbers of complaint, accounting for 50.59% of the total response calls.



In addition, there is a high number of consumers' complaints regarding the issues of goods and service quality; warranty responsibility; transaction conditions... in some sectors such as household electronics (accounting for 10.1%); telephone and telecommunications (accounting for 9.66%); daily consumption goods (accounting for 7.61%); health care service (accounting for 6.34%) and transportation services (accounting for 4.78%).



SUPPORTING ACTIVITIES

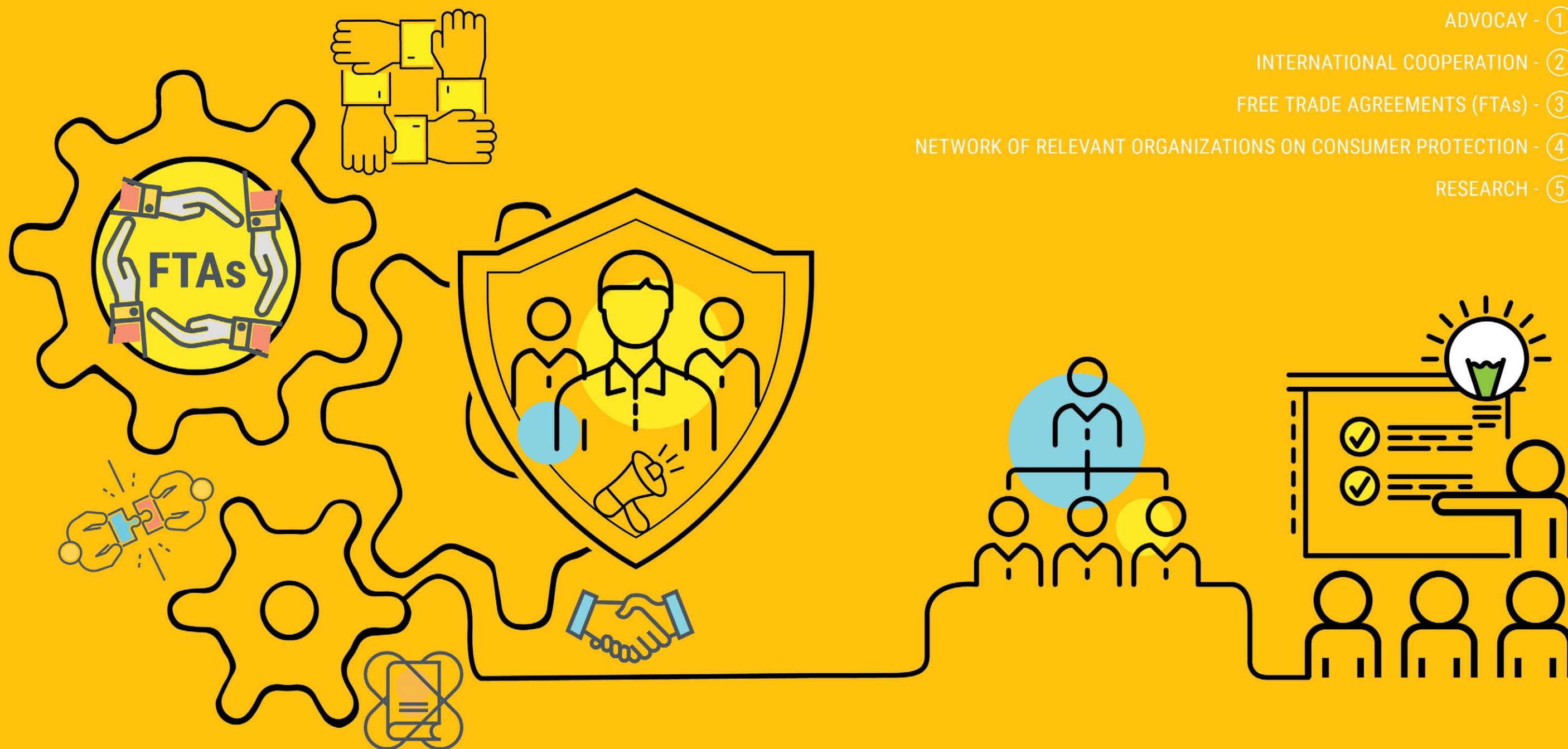
ADVOCACY - ①

INTERNATIONAL COOPERATION - ②

FREE TRADE AGREEMENTS (FTAs) - ③

NETWORK OF RELEVANT ORGANIZATIONS ON CONSUMER PROTECTION - ④

RESEARCH - ⑤





1.1 Competition Advocacy

- In implementing the Decision No.1227/2018/QĐ-TTg dated September 24, 2018 of the Prime Minister on issuing plan for enforcement of the Competition Law 2018, VCCA developed the program and implemented dissemination activities for the Competition Law 2018, details as follows:

+ Organizing 06 advocacy seminars, introducing new points of the Competition Law 2018 in the North - Central – South of Vietnam for more than 600 participants.

+ Coordinating with other state agencies in some localities such as Hanoi, Nam Dinh and Ho Chi Minh City to organize advocacy seminars introducing the Competition Law 2018.

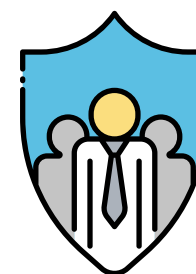
+ In addition, VCCA has actively cooperated with other related units and organizations like Japan Business Association in Vietnam, Vietnam Lawyers' Association, Law firms to organize a seminars introducing the Competition Law 2018 and obtaining opinions of organizations/individuals about the drafting Decree regulating in details and guiding the implementation of the Competition Law 2018.

- VCCA has conducted a lot of activities to propagate and disseminate legislations on management of business activities under multi-level method in accordance with the Decree No. 40/2018/ND-CP dated March 12, 2018 and Circular No.10/2018/TT-BCT dated dated 24 May 2018, namely:

+ Submitting the Ministry of Industry and Trade to issue a project of improving the efficiency of state management over business activities under multi-level method;

+ Coordinating with the American Trade Association in Vietnam (Amcham) to organize 03 advocacy seminars in Hanoi, Nghe An and Ho Chi Minh City to disseminate the Decree No. 40/2018 /ND-CP for representatives from local Departments of Industry and Trade nationwide; multi-level sales enterprises;

+ Organizing 14 seminars in Hanoi, Nghe An, Da Nang, Nha Trang, Ho Chi Minh City and Can Tho to disseminate Decree No. 40/2018/ND-CP on management of business activities under multi-level method;



+ Organizing 18 training courses on legal knowledge on multi-level sales in accordance with the training program approved by the Ministry of Industry and Trade to train for more than 2,000 individuals (on request) about legal knowledge on multi-level sales as specified in the Circular No. 10/2018/TT-BCT;

+ VCCA also proactively issued public warnings about behaviours of some enterprises having signs of violation of legislation on multi-level sales (doing business without licence) such as Atomy Company, Royal Company, Future Net. Such warnings aimed at preventing violations (if any) and protecting consumer's legitimate benefits.

1.2. Regarding consumer protection

- Organizing activities to advocate the Vietnam Consumer Day

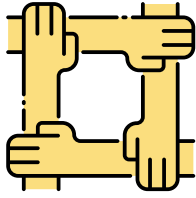
On March 15, 2018, in Da Nang, the Ministry of Industry and Trade cooperated with Da Nang City People's Committee to organize the Launching of Vietnam Consumer Rights Day 2018 with the theme "Fair business doing - Sustainable consumption". The ceremony took place under the chair of Ministry of Industry and Trade with the participations by representatives from ministries, branches in Da Nang City, Leaders of the People's Committee of Da Nang City and Departments of Industry and Trade and Consumer Protection Association of Da Nang City and other neighboring provinces and cities.

- Organizing seminars, conferences and training courses

+ To celebrate the Vietnam Consumer Day (March 2018), with the theme of "Fair Business Doing - Sustainable Consumption", besides the Launching Ceremony hold in Da Nang City, VCCA also by itself and/or coordinated with other relevant agencies to organize total 12 seminars, workshops, training courses in localities (Hanoi, Da Nang, Nghe An, Hai Duong, Dien Bien ...) to advocate consumer protection.

- Coordinating with the International Finance Group (IFC) to organize a seminar on "Settlement of consumer disputes through reconciliation" in Hanoi to advocate and disseminate about the role and benefits of conciliation in consumer dispute settlement.





a) Multilateral cooperation

As a member of the ASEAN Expert Groups on Competition (AEGC) and the ASEAN Commission on Consumer Protection (ACCP), VCCA fully participated in all annual meetings of AEGC and ACCP (namely the 21st AEGC Meeting in Singapore and the 17th and 18th ACCP Meeting in the Philippines and Singapore respectively). At these meetings, representatives from VCCA actively contributed ideas to build the plan for competition and consumer protection activity of ASEAN until 2025. In addition, VCCA has also implemented activities to strengthen the enforcement of competition and consumer protection law in the region such as attending regional conferences/workshops/training courses, sharing experiences on the development and enforcement of competition and consumer protection at national and regional levels.

VCCA collaborated with the ASEAN Secretariat to review the three documents competition for adoption at the AEM 50 Conference (September 2018), including: (i) ASEAN Regional Cooperation Framework; (ii) Competition Compliance Toolkit for business in ASEAN; (iii) Handbook on competition policy and law for business in ASEAN.

In order to acquire more international experiences in the development and enforcement of the law on competition and consumer protection, VCCA has cooperated with some relevant international organizations to implement some cooperated activities:

- Sending VCCA's officials to participate and contribute presentations at international conferences/seminars organized by Global Competition Network (ICN), International Consumer Protection and Enforcement Network (ICPEN), APEC Competition Policy and Law Group (CPLG), United Nations Conference on Trade and Development (UNCTAD), Organization for Cooperation and Development (OECD)...
- Coordinating with OECD – Korea Policy Centre to organize regional workshops on competition in Hanoi (November 14-15, 2018).



b) Bilateral Cooperation

In order to enhance the capacity of enforcing the competition and consumer protection legislation, VCCA regularly cooperates with a number of competition and consumer protection partner agencies via cooperation activities like exchanging information, sharing experiences, consulting opinions ... In 2018, during the process of investigating and handling the competition case of Grab acquired Uber's business activities in Vietnam, VCCA has consulted for opinions, exchanged information, shared experiences with some of competition partner agencies in the region such as Singapore, Indonesia, Philippines, Malaysia, Korea, Japan ... Such cooperated activities have been made by the means of telephone conferences, face-to-face meetings on the sidelines conferences /seminars held within the framework of bilateral and multilateral cooperation.

In addition, VCCA continues to implement bilateral cooperation activities with a number of traditional competition and consumer protection such as Japan, South Korea, the United States and Australia with numerous cooperation activities like information exchanges, organization of study visit:

- Organizing a Study Visit to share experiences in developing competition legislations in Japan;
- Coordinating with the Australian Competition and Consumer Commission (ACCC) to organize 02 regional competition conferences in Hanoi and Ho Chi Minh City.



- Receiving competition experts from the US Federal Trade Commission (US.FTC) to give lectures at the competition training course in Ninh Binh;
- Receiving short-term experts from the ACCC to work with VCCA's staffs for 6 weeks.

NEGOTIATION AND IMPLEMENTATION COMPETITION PROVISION IN BILATERAL AND MULTILATERAL FREE TRADE AGREEMENTS (FTAs)



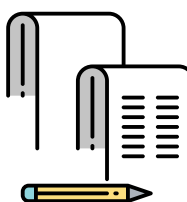
3.1. FTAs in progress

Until now, among the Free Trade Agreements (FTAs) Vietnam has signed and took effect, there are 04 FTAs with separate provision on competition including:

- + ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA);
- + Vietnam Korea Free Trade Agreement (VKFTA);
- + Vietnam - Japan Economic Partnership Agreement within the framework of the ASEAN-Japan Comprehensive Economic Partnership Agreement (AJCEP); and
- + Vietnam - Eurasian Economic Union Free Trade Agreement (EAEUFTA).

Regarding competition issue, these FTAs include provisions on competition law enforcement agencies, regulations on anticompetitive behaviours, fair procedures in competition law enforcement, information security, information transparency, cooperation mechanism, consultation and notification procedures in issues of competition, technical assistance and dispute settlement mechanisms. In the framework of commitments under FTAs, member competition agencies, including Vietnam, has cooperatively implemented some kinds of cooperation activities such as: (i) exchanging information on competition policies and laws; (ii) participating in regional workshops, conferences and training courses on competition; (iii) co-ordinating to organize some regional workshops on competition in Vietnam; (iv) exchanging experts and sending VCCA's staffs to internship in Korean Fair Trade Commission (KFTC), etc.

3.2. Negotiated FTAs

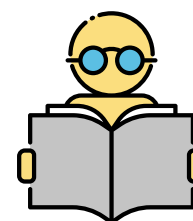


In 2018, VCCA has reviewed agreements that have been finished negotiation process, namely:

For the European Union - Vietnam Free Trade Agreement (EVFTA), VCCA coordinated with other related agencies to review the legal documents of competition and state-owned enterprises chapters to ensure that the benefits and commitments of related parties are stipulated as negotiated.

- In the framework of the Comprehensive Partnership and Trans-Pacific Partnership (CPTPP) Agreement, VCCA, in collaboration with the Legal Department (MoIT), reviewed the Draft List of legal documents proposing to be amended, supplemented, issued and abolished for the implementation of CPTPP. Regarding competition content, the Competition Law 2018 has been built in the direction of ensuring that all legal provisions for Vietnam shall fully implement its commitments in the Competition Chapter of the CPTPP Agreement.

- For the Regional Comprehensive Economic Partnership Agreement (RCEP), the Technical Group has concluded negotiations on Competition Chapter in accordance with the overall negotiation progress of the whole Agreement.



3.3. Future FTAs/RTAs

VCCA gave opinions for the drafting Project assessing the possibility of negotiating FTAs with Turkey, the contents of competition and state-owned enterprises in the context of establishing a Free Trade Area FTAAP.

NETWORK OF RELEVANT ORGANIZATIONS ON CONSUMER PROTECTION

In 2018, with 04 newly established Consumer Protection Associations, the total number of Consumer Protection Associations in Vietnam is 57, including 01 Association operating nationwide (Vietnam Consumer Protection Association) and 56 other Associations operating provinces and cities across the country.

RESEARCH

- Coordinate with the Office of Competition Council to develop the research "Economic concentration control in the context of international economic integration".
- Conduct the the ministry-level scientific research "Solutions for improving the effectiveness of controlling standard contract form and general transaction conditions".
- Under the Project of "Enhancing the competitive institutions and consumer protection" supported by Australian Government, VCCA developed 05 research reports on competition and consumer protection, namely:
 - (i) Report on competition issues in multi- sided platform industry;
 - (ii) Report on "International experience on regulations on economic concentration control"
 - (iii) Report on settlement of cross-border consumer disputes, international experience and some recommendations for Vietnam;
 - (iv) Report on assessment of significant market power;
 - (v) Handbook guiding enterprises on the process of registration of standard contract form and general transaction conditions.

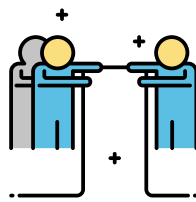


DIRECTION IN 2019

GENERAL CONTEXT - ①

DIRECTION - ②





1.1. Regarding competition

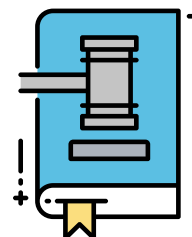
In 2019, it is estimated that the enforcement of provisions on competition restriction behaviours, economic concentration and unfair competition behaviours will witness a significant change. Particularly, from July 1, 2019, the Competition Law 2018 takes effect with a lot of changes in regulations regarding issues of controlling competition restriction behavior, economic concentration, unfair competition behaviours, VCCA should make well preparation in terms of facilities and human resources to meet to new requirement on strengthening enforcement capacity. It is forecasted that in the coming time, the number of cases on competition restriction; unfair competition as well as the number of economic concentration notification will increase especially those of economic concentration notification dossiers (According to the threshold of notification criteria, it is estimated that VCCA will receive about 50-100 economic concentration notification dossiers/year).



1.2. Regarding consumer protection

The year 2019 is estimated to have significant changes in consumer protection circumstances, creating challenges for VCCA and other relevant agencies in the state management activities over consumer protection as well as other specialized areas. Specifically:

- The emergence of some new models of doing business leading to changes in consumer behavior as well as business environment (model of doing business like Grab in transportation services; Airbnb in tourism and hotel services; Lazada, Tiki, Sendo ... in retail sector; Tima.vn, Vaymuon.vn ... in financial services).
- There are some shortcomings, gaps in legal documents for management over such new models of doing business, some of which have direct effect on consumer's benefits.
- The issue of consumer confidentiality is becoming increasingly important, especially in the Industrial Revolution 4.0, when data became a mandatory input for most of business decisions and policies.
- Awareness of consumer protection has been gradually changed in a positive direction, creating requirements for proper and tighten management over consumer protection.



2.1. Legislation

- Develop 03 Decrees guiding the implementation of the Competition Law 2018 including: (1) Decree of the Government regulating in details some articles of the Competition Law; (2) The Decree of the Government regulating in details the Competition Law on handling competition violations; and (3) The Decree of the Government regulating functions, tasks, powers and organizational structure of the National Competition Commission.
- Develop the Decision amending Decision No.35/2015/QĐ-TTg dated August 20, 2015 relating to life insurance service.
- Complete the development of the Directive of the Secretariat of the Communist Party of Vietnam and implementation of the Directive of the Secretariat on strengthening the Party's leadership and the State's management responsibility for the protection of consumer for its implementation.
- Develop the Report on Summary of the implementation of consumer protection law and guiding documents.



2.2. Vietnam National Competition Commission

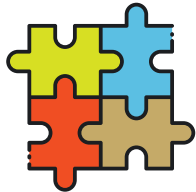
On 12 June 2018, the Competition Law was officially adopted and will come into effect on July 1, 2019. To facilitate the implementation of the Competition Law 2018, the Prime Minister issued Decision No. 851/QĐ-TTg assigning the Ministry of Industry and Trade (Competition and Consumer Protection Department) as the chairing agency to develop 03 Decrees detailing the Competition Law, one of which is the Decree regulating functions, tasks and organizational structure of the National Competition Commission. This is the foundation for the establishment of the Vietnam National Competition Commission.

In implementing the assigned tasks, VCCA is taking the lead in developing the Decree regulating functions, tasks and organizational structure of the National Competition Commission. The Commission is restructured in the direction of consolidating two current competition agencies (VCCA and VCC-Vietnam Competition Commission) with functions of management over both competition and consumer protection. At the same time, the National Competition Commission is designed as: (i) being independent; (ii) being transparent in its operation; (iii) meeting the requirement on resources (financial and human resources) and (iv) having adequate power, functions and duties for enforcement.



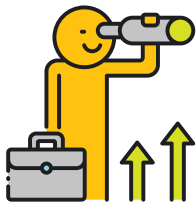
2.3. Advocacy activities for competition and consumer protection

- The competition law of 2018 takes effect on July 1, 2019. Guiding Decrees of the Competition Law are also expected to be issued and come into effect in 2019 as well. To raise awareness about competition legislations, VCCA will promote dissemination activities introducing the Competition Law and guiding documents to business community and relevant organizations and individuals.
- Organizing advocacy activities to celebrate the Vietnam Consumer Day (March 15, 2019).
- Promote advocacy activities raising awareness on consumer protection, focusing on important events such as Vietnam Consumer Day and other activities with strong influence effect to business community and consumers.



2.4. Control over Economic Concentration

- Review 02 economic concentration cases: General Trading Services Joint Stock Company General (Vincommerce) acquired Fivimart; and Son Ha International Joint Stock Company acquired Toan My Production and Trading Joint Stock Company;
- Conduct a supplemented investigation for Grab-Uber case;
- Handle economic concentration notification dossiers.



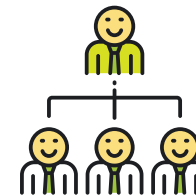
2.5. Competition restriction case investigation

- Investigate 02 to 03 competition restriction cases. In addition, VCCA plan to carry out preliminary investigation for 10 to 15 competition restriction cases, collect relevant information, monitor the market to detect signs of violations of competition law focusing on some sectors of automobile production and trading, pharmaceutical distribution, steel production and trading, retail and beer, wine and soft drinks.
- Actively review and give comments on legal documents having signs of violation of provisions of competition law. In addition, VCCA will also actively give consultation when receiving requests.



2.5. Investigation and handling of unfair competition behaviours

VCCA will complete investigation of the unfinished cases in 2018 and plan to conduct new investigation of 15-20 unfair competition cases. Coordinate well with other relevant agencies such as National office of Intellectual Property, Vietnam Directorate of Market Surveillance ... in the process of investigation and handling of unfair competition cases.



2.7. State management over business activities under multi-level method

VCCA will strictly implement the Decision No. 1822 /QĐ-BCT dated May 25, 2018 of the Minister of Industry and Trade on the issuance of the Project on improving the effectiveness of state management over business activities under multi-level method; strictly manage business activities by multi-level method as stipulated in Decree No.40/2018/ND-CP; recall registration licence of multi-level sales of enterprises that do not meet requirements under provisions of the Decree No.40/2018/ND-CP; continue to inspect and handle violations of regulations on multi-level sales in the market.



2.8. Enforcement of consumer protection law

- Implementing the Project on Summary of the implementation of the Consumer protection Law and guiding documents.
- Strengthening coordination with provincial Department of Industry and Trade to unify the model of state management agencies on consumer protection; improving qualifications and skills of staffs in charge of consumer protection, especially the ones at district and commune levels.
- Closely coordinating with Vietnam Consumer Protection Association and Consumer Protection Associations across the country in strengthening mechanism and improving their operation efficiency.
- Researching consumer protection activities and implementing them in new and specialized areas, having effect on consumer interests, for example e-commerce, consumer loan ...
- Focusing on activities relating to special consumer groups (women, children, the elderly) or consumers in remote areas.
- Encouraging the support and participation of socialized resources, including business community, foreign organizations, associations and press media in consumer protection.



2.9. Control of standard contract form, general transaction conditions

- Continue to carry out administrative procedures of registration for standard contract form, general transaction conditions for goods and services decided by the Prime Minister.
- Continue to receive and resolve consumer requests related to functions and tasks of VCCA.
- Supervising the application of standard contract form and general transaction conditions in apartment sector.
- Supervising the application of standard contract form, general transaction conditions in e-commerce sector.
- Conducting inspection activity as planned of 04 enterprises in finance and banking sectors.
- Conduct a summary report on control of standard contract form and general transaction conditions period of 2012-2018 for the review of the implementation of the Law on Consumer Protection.
- Conducting ministerial level research on "Controlling standard contract form, general transaction conditions - Current situation and solutions".



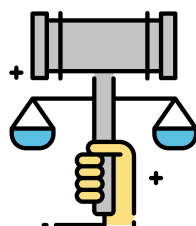
2.10. Activities of Center for Information, Consultation and Training VCCA



a) Regarding information, consulting and support for consumer

- Complete the building of VCCA new website to meet new requirements of enhancing interaction with businesses and consumers; other state management agencies (provincial Department of Industry and Trade); work well with new functions and tasks of the National Competition Commission (new established competition and consumer protection agency of Vietnam)
- Continue to ensure information technology and internal network administration of VCCA;
- Develop and regularly update information and data of VCCA as database for searching activities of relevant specialized units/agencies as well as for enterprises in the process of compliance and application of competition and consumer protection and for the management over business activities by multi-level method;
- Continue to operate the Free toll Call Center to support consumers, upgrade and expand the operation of the Call Center to Hochiminh City and at the same time, recruiting and training new staffs for better meeting the needs of advice and support for consumers.





b) Advocacy, dissemination and training of legal documents.

- Continue to organize training courses and issue certificates for completion of training courses on legal knowledge on multi-level sales for related individuals under the approved program;
- Develop manuals, Q&As, handbooks on competition compliance with the purpose of disseminating the Competition Law 2018 to subjects under the law;
- Focus on organizing advocacy conferences and workshops, disseminating the Competition Law No. 23/2018 /QH14 and guidance documents for implementation of the Competition Law in provinces and cities across the country;
- Make plan and organize training courses to comply with competition legislation for agencies, organizations and individuals on requests;
- Organize conferences summarizing 10 years of enforcement of consumer protection law; conduct research reviewing the Law on Consumer Protection to propose solution for completion of the legal framework in consumer protection in Vietnam;
- Coordinate with relevant organizations and individuals to organize training programs on skills of consultation, receiving, reconciliation, and redress of consumer disputes for staffs in charge of consumer protection at central and local levels.



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