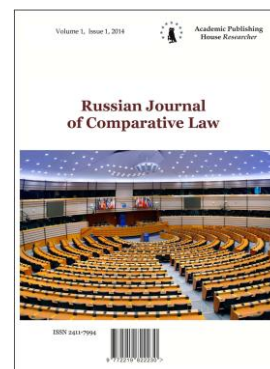


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Legislation on E-Commerce and the Development of E-Commerce in Vietnam

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Abstract

Internet and other electronic means are on the way to spread greatly to all areas of social life, especially for the economic development of each country as well as the global economy. E-commerce is an indispensable and important development trend in the future of world trade, it becomes one of the strategic objectives of each country to promote the economy and expand international cooperation. Along with the positive effects, e-commerce still has many drawbacks and shortcomings such as security and safety of personal information when e-commerce transactions are multi-way connected, information exists in the form of data and transferred on the network; network security issues in general and security in e-commerce, in particular, are increasingly threatened, the emergence of high-tech criminals take advantage of personal customer information to fraud and appropriate property, especially in the field of consumer protection; the infrastructure has not yet met the growth and development of e-commerce. The article is based on the Vietnamese law on e-commerce and analyzes an overall picture of the development of e-commerce in Vietnam in recent years.

Keywords: e-commerce, e-commerce transaction, e-commerce association, the Fourth Industrial Revolution, digital economy, information technology, electronic data information, electronic means, sales e-commerce website, the e-commerce marketplace.

1. Introduction

E-commerce is a trend of commercial development that is spreading globally and Vietnam is not out of this inevitable trend. Vietnam is a developing country and is in the process of industrialization, modernization, and international integration. Along with the rapid development of science and technology, especially “the Fourth industrial revolution” is a great opportunity to improve the business environment, reduce costs, improve product quality and advance competitiveness, promote fair competition, attract international investment and gradually create conditions for developing cross-border trade, create attractive and potential investment opportunities in the field of digital technology and Internet, this is also a great opportunity for industrial production with advanced level of science and technology (Biriukov, Galushko, 2018). E-commerce is based on the digitalization system and the internet is growing rapidly. Instead of going to shops and supermarkets in the traditional way, consumers can now buy goods and use services without leaving home or office, they just need to surf the web, mobile phones, tablets or the other smart devices with the internet connection for shopping on e-commerce sites. E-commerce is booming and fundamentally changes in thinking, awareness, and ways of buying from consumers, shifting from the traditional way of buying at supermarkets and stores by buying and paying online

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via e-commerce sites. It can be mentioned the "big men" in the international e-commerce industry such as Amazon, Alibaba, Walmart, Target Corporation, Bestbuy, eBay.

E-commerce is not only a great opportunity but also a challenge for countries from around the world. The rapid rate of e-commerce has set a need to comprehensively complete the national legal framework and the cooperation among countries (in the context of the digital economy, in another way, the internet economy) when all limits, barriers and geographical position are gradually cleared away. The article provides statistics on the development of e-commerce in Vietnam, as well as the shortcomings of legal regulations and suggestions for improving the legal basis related to e-commerce.

2. Materials and methods

The article is studied based on international legal documents: UNCITRAL Model Law on electronic commerce with Guide to enactment 1996, OECD Guide to Measuring the Information Society; Work programme on electronic commerce of WTO 1998 and domestic legal documents systems that regulate issues related to e-commerce, such as the Law on electronic transactions 2005; Civil Code 2015, Law on tax administration 2006, Law on the protection of consumer rights 2010; Decree No. 52/2005/ND-CP of the Government on e-commerce; Decree No. 72/2013/ND-CP of the Government of July 15, 2013, on the management, provision, and use of Internet service and online information. In addition, there are also many research articles on this issue such as Handbook on E-commerce and Competition in ASEAN (ASEAN, 2017), Vietnam e-business index of 2018 (VECOM, 2018), E-commerce industry in Vietnam (EU-Vietnam, 2018), E-commerce development in Vietnam in the context of the digital economy (Tran Anh Thu, Luong Minh Phuong, 2018), Vietnam e-commerce White book, 2018 (iDEA, 2018).

In this article, scientific research methods are used simultaneously such as methods of analysis, synthesis, the method of comparing laws, statistical methods, dialectical materialism method.

3. Discussion

The Fourth Industrial Revolution is characterized by a fusion of technologies that is blurring the lines between the physical, digital, and biological spheres. The speed of current breakthroughs has no historical precedent. The Fourth Industrial Revolution has the potential to raise global income levels and improve the quality of life for populations around the world. To date, those who have gained the most from it have been consumers able to afford and access the digital world; technology has made possible new products and services that increase the efficiency and pleasure of our personal lives (Schwab, 2015). Directive No 16/CT-TTG dated May 4, 2017, of the Vietnamese Prime Minister on the strengthening of the ability to access the Fourth industrial revolution, also stated that: "The Fourth Industrial Revolution, building on the fusion of digital, physical and biological technologies, internet of things and artificial intelligence, is fundamentally changing global production. The Fourth Industrial Revolution is characterized by digitization and utilization of information technology. The Revolution is taking place at different speeds in countries all over the world, but having a strong impact on all aspects of socio-economic life, which leads to a change in production methods and workforces" (Directive No 16/CT-TTG). E-commerce is a great achievement that the internet offers when changing from traditional trading methods such as shopping at shops and supermarkets, concluding paper-based contracts into transactions via electronic means. Along with the evolution of the Fourth industrial revolution, e-commerce is fundamentally changing the world economic picture with its preminent characteristics. According to Euromonitor International, e-commerce is expected to become the world's largest retail channel in 2021. It is estimated that this sector will account for 14 % of total retail sales (Linh Anh, 2019).

So what is e-commerce and what are e-commerce characteristics that stand out from traditional forms of commerce? There are many definitions of e-commerce in international legal documents and national laws. UNCITRAL Model Law on electronic commerce regulates any kind of information in the form of a data message used in the context of commercial activities. Under the UNCITRAL Model Law on electronic commerce, e-commerce means commercial activities conducted based on data messages via electronic means to replace the use of paper-based methods of communication and storage of information (UNCITRAL, 1996: 3). On September 25, 1998,

the Work programme on electronic commerce adopted by the WTO General Council to examine all trade-related issues arising from global e-commerce. Article 1.3 of this Work programme stipulates that: “Exclusively for the purposes of the work programme, and without prejudice to its outcome, the term “electronic commerce” is understood to mean the production, distribution, marketing, sale or delivery of goods and services by electronic means. The work programme will also include consideration of issues relating to the development of the infrastructure for electronic commerce” (WT/L/274, 1998). According to OECD definition, an e-commerce transaction is the sale or purchase of goods or services, conducted over computer networks by methods specifically designed for the purpose of receiving or placing of orders. The goods or services are ordered by those methods, but the payment and the ultimate delivery of the goods or services do not have to be conducted online. An e-commerce transaction can be between enterprises, households, individuals, governments and other public or private organizations. To be included are orders made over the web, extranet or electronic data interchange. The type is defined by the method of placing the order. To be excluded are orders made by telephone calls, facsimile or manually typed e-mail” (OECD, 2011). Directive 2000/31/EC of the European Parliament and of the Council stated that contracts concluded by electronic means member states shall ensure that their legal system allows contracts to be concluded by electronic means. The Member States shall, in particular, ensure that the legal requirements applicable to the contractual process neither create obstacles for the use of electronic contracts nor result in such contracts being deprived of legal effectiveness and validity on account of their having been made by electronic means (Directive 2000/31/EC, Art. 9). Article 2 of the e-commerce Law of the People’s Republic of China defines that: “e-commerce mentioned herein refers to business activities of selling commodities or providing services via the Internet or any other information network” (China, 2018).

Currently, the legal basis for adjusting e-commerce relations in Vietnam is being strengthened and improved. Law on electronic transactions 2005, Decree No. 52/2013/ND-CP of the Government on e-commerce and other decrees and circulars related to e-commerce is the basic legal corridor regulating e-commerce activities. According to the law on electronic transactions, an e-transaction means a transaction implemented by electronic means. An electronic means is a means that operators based on electric, electronic, digital, magnetic, wireless, optical, electromagnetic technologies or similar technologies (Law on e-transactions, 2005, Art. 4). Decree No 52/2013/ND-CP specifies forms of e-commerce activities, state management of e-commerce, creating a legal basis to ensure information safety and security, protection of consumer’s right in e-commerce as well as identification of prohibited acts in e-commerce and the mechanism of dispute settlement arising in e-commerce activities. Article 3 of the Decree No 52/2013/ND-CP of the Government on e-commerce stipulates: “E-commerce activity means conducting part or the whole of the process of commercial activity by electronic means connected to the Internet, mobile telecommunications networks or other open networks” (Decree No 52/2013/ND-CP). Therefore, e-commerce is the implementation of part or the whole the process of trading goods or providing services via electronic means connected to the Internet or other open information networks. The term “e-commerce” also covers activities throughout the entire value chain of the transaction process and includes activities such as the delivery of the good to the consumer’s preferred location (ASEAN, 2017: 16).

The characteristic of e-commerce is that parties do not have to meet directly in order to exchange information and conduct transactions. All e-commerce transactions are implemented via devices that are connected to the Internet and other open networks. The essence of e-commerce is that traditional commercial transactions are carried out on the basis of digital technology applications (network environment). E-commerce is not restricted within the borders of a country that allows the subjects to conduct cross-border transactions when the world is entering the era of the “internet economy”. In e-commerce, all transactions have the participation of at least 3 subjects. Those are sellers, buyers, and third-party related to e-commerce activities, including traders, organizations providing e-commerce services and traders providing technical infrastructure. Moreover, all e-commerce transactions are carried out in the network environment, hence the information network is an essential foundation. These are the distinctions between e-commerce and traditional commerce. E-commerce benefits organizations, enterprises producing goods and providing services, consumers as well as the whole society.

Considering the subjects of e-commerce include: Government (G), Business (B) and Consumer (C), e-commerce is divided into some of the following main forms: Business to Business (B2B), Business to Consumer (B2C), Business to Government (B2G), Government to Business (G2B), Government to Government (G2G), Government to Citizen (G2C), Consumer to Consumer (C2C), Consumer to Business (C2B). The article 24 of Decree No. 52/2013/ND-CP lists subjects of e-commerce activities, that includes: owner of sales e-commerce websites; traders or organizations providing e-commerce services; seller; customers; traders or organizations providing infrastructure and other traders, organizations or individuals that use electronic equipment connected to other networks for carrying out commercial activities.

From the provisions of Decree № 52/3013/ND-CP, it can be seen that the law regulating e-commerce activities are conducted via not only the internet connection to computers but also mobile telecommunications networks, also known as mobile commerce (M-commerce). This is an important consideration in developing countries as the growth in smartphone usage is outstripping access to conventional computers/laptops. In fact, transactions carried out via smartphones is growing rapidly. It is anticipated that global mobile e-commerce growth revenue will increase from the US \$ 1.357 billion in 2017 to the US \$ 3,556 billion by 2021 (eMarketer, 2017). According to statistics from Google, in 2017 nearly 72 % of the Vietnamese population use a smartphone. As smartphones are key to conduct e-commerce activities ownership will have a profound effect on the e-commerce landscape (EU-Vietnam, 2018: 15).

Vietnam currently has one of the fastest growing B2C e-commerce markets in Southeast Asia, translating to a market size of EUR 5.5 billion in 2017. The e-commerce industry will continue to grow rapidly in the future with a forecast of EUR 8.1 billion by 2020, accounting for 5.5 % of retail sales (EU-Vietnam, 2018 : 15-16). B2C e-commerce in Vietnam today is classified into two different types: Sales e-commerce website and e-commerce services provision website. The sales e-commerce website is an e-commerce website developed by traders, organizations or individuals by themselves to serve their commercial promotion, sales or service provision. E-commerce service provision website is an e-commerce website developed by traders or organizations to provide an environment for other traders, organizations or individuals to conduct their commercial activities. The e-commerce service provision website is of the following types: E-commerce trading floor; Online auction website; Online promotion website; Other types of the website as stipulated by the Ministry of Industry and Trade. Traders, organizations or individuals may set up sales e-commerce websites if having been granted personal tax identification numbers for individuals and having notified the Ministry of Industry and Trade of the set-up of sales e-commerce websites under the prescribed procedures. Different from the subjects that can set sales e-commerce websites, the subjects may set e-commerce service provision websites that can only be traders and organizations established under the provisions of law, having a service provision plan clearly stating the structure, utilities and main information sections on the service website, rights and responsibilities of the trader or organization providing e-commerce services and service users; having registered for setting up e-commerce service provision websites and having their registrations certified by the Ministry of Industry and Trade. In fact, in 2017, the form of e-commerce via sales e-commerce websites is still dominant with 18,783 e-commerce websites, while the number of e-commerce markets is 785, the online auctions websites - 23 and online promotion websites – 106 (iDEA, 2018: 14).

Vietnamese consumers are shopping online through two main means: social media platforms and mobile applications. According to people's Internet access survey information, up to 89 % of Vietnamese people use mobile phones, 69 % use desktop computers, laptops, and 17 % use other devices (iPad, tablets, ...) (iDEA, 2018: 28). Mobile application means an application installed on mobile equipment connected to a network that allows users to access the databases of traders, organizations, and individuals to purchase and sell goods and provide or use services. Mobile applications include goods sale applications and e-commerce service provision applications (e-commerce trading floor; online sales promotion application; online auction application) (Circular № 59/2015/TT-BCT, Art. 3.1). Online ordering function is a mobile application function permitting customers to begin the process of conclusion of contracts under the terms publicized on that application, including the conclusion of contracts with an automatic information system. At present, websites and sales applications with online ordering functions in Vietnam occupy 45 % (iDEA, 2018: 70).

According to Decree No 72/2013/ND-CP, social network means an information system that provides its users with such services as storage, provision, use, search, sharing and exchange of information, including the provision of the service of creating private websites, forums, online chat rooms, audio and video sharing, and others similar services (Decree No 72/2013/ND-CP, Art. 3.22). Circular No 47/2014/TT-BCT stipulates that social networks that have one of the functions of e-commerce trading floor services should register with the Ministry of Industry and Trade in the form of e-commerce exchange. Owners of social networks should take responsibility for providing e-commerce exchange services as regulated by the law. According to 2018 statistics, 68 % of Vietnamese consumers buy goods and services via e-commerce websites (including e-commerce trading floors), 51 % via forums, social networks, and 41 % via mobile applications. The rate of popular social networks integrated on e-commerce websites includes Facebook (68 %), Google Plus (21 %), Twitter 13 %, ... (IDEA, 2018: 74).

Thus, in Vietnam, basically a legal framework on e-commerce has been developed, including the important role of Law on electronic transaction 2005, Decree No. 52/2013/ND-CP on e-commerce and other legal documents such as Civil Code 2015, Law on competition 2014, Law on bidding 2013, Law on commerce 2005, Law on protection of consumer rights 2010, related decrees and circulars on investment, finance, banking, penalties administrative related to e-commerce that create a favorable legal corridor for e-commerce development. Notwithstanding, many legal regulations are still not specific and difficult to apply in practice, many regulations seem to be inconsistent with the reality of e-commerce activities. The current situation of the e-commerce industry also has many inadequacies arising from legal loopholes as well as proficiency and awareness of all parties in e-commerce activities: state management, businesses, and consumers.

Decree 52/2005/ND-CP provides a chapter to regulate contracting in e-commerce, especially the conclusion of contracts using online ordering functions on e-commerce websites. If an e-commerce website has the online ordering function applicable to each specific goods or service introduced on that website, the introductory information about goods and services and relevant terms are regarded as a notice of proposal for conclusion of contract of the traders, organizations and individuals selling goods as notice of proposal for conclusion of contract without a specific recipient. E-documents generated by customers and sent by using the online ordering function are regarded as their proposals for the conclusion of a contract for the goods or services associated with that online ordering function. The time of conclusion of contract when the online ordering function on e-commerce websites is used is the time the customer receives the response from the trader, organization or individual selling goods to accept the proposal for the conclusion of the contract. According to the article 23 of this Decree, the Ministry of Industry and Trade shall provide in detail the process of online conclusion of contracts on e-commerce websites developed by traders, organizations or individuals to purchase goods and services. But so far, the Ministry of Industry and Trade has not yet issued any specific legal documents to guide the process of conclusion of online contracts on e-commerce websites.

While the infrastructure system has not yet met the rapid growth of e-commerce, the issue of logistics and delivery still faces many difficulties. Delivery services in Vietnam are still quite slow and do not meet the needs of consumers. With such a context, it is predicted that in the next few years, logistics and delivery will grow very strong to meet the growing e-commerce market with exponentiality. This E-commerce gold rush has resulted in a crowded and competitive logistics landscape with over 50 providers as of 2017, from traditional express services (e.g., Viettel, EMS, and VNPost) to start-ups (e.g., giaohangnhanh, supership, and giaohangtietkiem) and international players (e.g., DHL eCommerce, Grab Express, and Lazada Express) (EU-Vietnam, 2018: 18). Traditional consumption habits of Vietnamese people are to pay cash on delivery, so this is a challenge for businesses to set up a fast, economical and efficient delivery network and improve the trust of consumers. For some small and medium enterprises, such as convenience stores now use third-party services to deliver to consumers and reduce operating costs.

The other problem with current e-commerce in Vietnam is the payment method, due to consumer habits, consumers/customers prefer cash-on-delivery (COD) payment to online payment via bank cards or electronic wallets. The field of e-commerce payment is still underdeveloped, especially due to the habits and behaviors of consumers, so online payment forms, though increasing, certainly cannot replace traditional payment methods in the near future. Consumers are still concerned that when paying online, the bank account information may be revealed or

stolen, psychologically sure to receive the goods before paying in cash. Cash payments are still the preferred form of payment in e-commerce transactions, specifically, more than 80 % of transactions in Vietnam often pay in cash. The data of the State Bank shows, the ratio of non-cash payment has not changed much in the period of 2010 to the second quarter of 2018, accounting for about 12 % of the payment methods, by the end of the second quarter of 2018, slightly decreased, accounting for 11.9 %. This rate is much lower than the average level of developed countries like the US (more than 93 %) and Europe (90 %) (Phuong Thao, 2018). Lack of consumer trust is a major barrier to online payment methods in e-commerce. A recent Google Survey suggests that one in four users in Vietnam has adopted digital payment services. The digital payment services adoption in Vietnam accounts for only 25 %. On the other hand, for physical goods, while all leading e-Commerce players in the region accept payments via cash on delivery, this comes with friction and costs for both users and for e-Commerce players, which face a higher proportion of cancelled orders and incur higher charges by delivery companies (Google, Temasek, 2018: 31).

Vietnamese Constitution 2013 affirmed the rights to inviolability of personal privacy, personal secrecy, and family secrecy. Information regarding personal privacy, personal secrecy and family secrecy is safely protected by the law. Everyone enjoys the secrecy of correspondence, telephone conversations, telegrams, and other forms of exchange of personal information. No one is illegally allowed to open, control, and confiscate other's correspondence, telephone conversations, telegrams, and other forms of exchange of personal information (Art. 21). Moreover, Article 387 of Vietnamese Civil Code 2015 stipulates that in case a party receives confidential information of the other party in the process of entering into a contract, the recipient of that information is responsible for information security that in case a party receives confidential information of the other party in the process of entering into a contract and may not use such information for their own purposes or for purposes that are contrary to law. According to the Article 25 of Decree 72/2013/ND-CP of the Government on management provision and use of Internet services and online information, organizations and enterprises that establish social network have to take measures for protecting the personal information of users; notifying users of their rights, obligations, and risks when storing, exchanging and sharing information online. Providers and users of internet services and online information are responsible for ensuring information safety and security within their information system; cooperating with competent state management agencies and other organizations and individuals in ensuring online information safety and security. Activities of ensuring online information safety and security must be regularly, continuously and effectively carried out on the basis of compliance with standards and technical regulations on information safety and the law on telecommunications and internet service quality. Law on protection of consumer rights also states that consumers are ensured safety and security information when participating in transactions, using goods and services. Moreover, Law on electronic transactions 2005 and Decree № 52/2013/ND-CP contain regulations on secrecy and information security, however, safety and security of customer data are not guaranteed, many businesses have used customer data to advertise, send spam messages or resell customer data to profit. Such cases have also caused customers to encounter many troubles, their information security rights are sometimes seriously violated. Even buying customer data is done publicly and widely on electronic websites with a full range of customer data packages classified by each potential field. The price of each data customer package is offered for sale at a very cheap price, only from a few hundred thousand to several million VND (i.e. only a few hundred dollars). It can be said that buying customer data is as easy as buying vegetables, state management agencies and the current legal basis does not have an effective solution to solve this problem. This buying trend is the “source” of many troubles that consumers are experiencing, as they are continuously “terrorized” by the telesales team every day. The fact that personal data is being transformed into “public data” makes many consumers feel confused, worried.

The act of buying personal data is often traded on the internet environment, so there are certain difficulties when identifying the subject of violations. Consumers themselves do not know their information is being sold, so they cannot make suggestions to calculate their loss value and propose legal responsibility (Cam Thi, 2018). Information database in e-commerce becomes a huge resource, along with its size and speed of e-commerce development, this information resource becomes more valuable in the digital economy when all traditional transactions are being replaced by transactions through electronic means. Information security errors are a big problem for e-commerce businesses. Website security issues are becoming more complex, for example, in November 2016, a VietnamWorks.com subsystem was attacked which caused information of tens of thousands of accounts to be leaked. Many

of these accounts are shared with other users, such as Gmail, or even some e-banking applications of some banks (AIS, 2016). According to statistics and calculations of Vietnam Computer emergency response teams, in the first half of 2017, 6,303 cyber attacks were recorded in Vietnam. Including 1,522 phishing attacks, 3,792 malware installation attacks and 989 interface change attacks (VNCERT, 2017). Therefore, e-commerce websites must have solutions to secure customer information and against hackers intruding into the system to steal information. This requires online businesses to have information protection systems on their websites.

Decree 52/2013/ND-CP and related legal documents specify the responsibility to provide information on the e-commerce website as well as on e-commerce trading floors. Traders are responsible for providing information, especially information on goods, services, prices, information on general trading conditions, information on shipment and delivery, payment methods. This information must be obvious, accurate, searchable and understandable; arranged in the corresponding sections on the website and accessible online. In addition, this information must be storable, printable and clearly displayed to the consumers before the time they send a proposal for the conclusion of the contract. In fact, the problem of counterfeit goods and poor quality goods is a matter of traditional trade and more complicated in the e-commerce environment, when buyers and sellers do not meet directly, nor does the buyer be directly checked the quality of goods. Many sellers still use untrue product description information to mislead customers and gain illicit profits. Big E-commerce websites in Vietnam such as Sendo, Lazada, Shopee are being referred to as “counterfeit market” because most products are branded products but their prices are very cheap. Just spend several hundred thousand to one million VND, consumers can buy Adidas shoes, Chanel bags, Rolex watches... It is too easy to register as a store owner and sell products on big e-commerce websites. This is a “loophole” for the nefarious enterprises to mix fake and poor quality goods to deceive consumers. According to the Department of Competition and Consumer Protection, lazada.vn is the largest e-commerce website in Vietnam but it has been complained by many customers about the quality and origin of goods (Thu Huong, 2018).

Consumers are the main motivation to promote the development of the economy in general and e-commerce in particular. Consumers, by definition, include us all. They are the largest economic group in the economy, affecting and affected by almost every public and private economic decision. Two-thirds of all spending in the economy is by consumers. But they are the only important group in the economy who is not effectively organized, whose views are often not heard (President Kennedy, 1962). Consumer trust is the weakness of Vietnamese e-commerce, with its booming its development, along with genuine businesses, there are also many acts of unfair competition, illegal business enterprises. This not only damages the genuine business, affecting the fair business environment of e-commerce and in the end, but victims are also still consumers. According to the survey of iDEA, the biggest obstacle for consumers when shopping online is due to poor product quality compared to advertising accounting for 77 %, concerns about disclosed personal information accounted for 36 % and the price of goods accounted for 35 %. Consumers cannot see and evaluate products, so goods received are often not the same as advertisements and are not as good as their expectations. In addition, consumers cannot determine the origin of the goods, especially when the seller provides dishonest information and does not provide the invoice so that the consumers do not have evidence and a basis for making a complaint if a dispute occurs. According to iDEA, in 2017, this unit inspected more than 300 cases of violations of counterfeit goods, counterfeit goods, and intellectual property infringing goods. The result is an administrative fine of VND 300 billion. The iDEA has recommended to consumers to avoid buying fake and counterfeit goods online. However, business people trading goods on Facebook currently do not have a legal representative in Vietnam. So this Agency recommends consumers sending information to the office of Facebook (Information society, 2019).

The problem of tax management in e-commerce is now also difficult. With about 200,000 businesses doing business on social networks, in the future, online transactions will increase both quantity and transaction value. Collection of e-commerce tax is a very important job, both having a great impact on development and bringing in the state budget revenue. In the e-commerce market, according to the technical nature of the internet, it is difficult to determine exactly the business location that e-commerce businesses use. In addition, because the establishment and transfer of enterprises are very easy in e-commerce, the tax authorities face many difficulties in determining the identity and country of residence of taxpayers. Currently, Law on Tax Administration 2006 and Decree No. 52/2013/ND-CP do not have specific regulations on tax collection in e-commerce activities, not separate e-commerce from traditional commerce. Many businesses take advantage of legal loopholes to

evade taxes. There are two common forms of tax evasion: no business registration/tax registration and no declaration or low declaration of transaction value/income for tax evasion. As a rule, a company with a permanent establishment in Vietnam must register its business, register to pay tax as a resident company in Vietnam. However, e-commerce does not require enterprises to establish any business establishment to trading, all steps of transaction, conclusion, delivery, payment... are implementation and processing via computer systems. Besides, determining whether a business or individual is residing in Vietnam is very difficult. Therefore, e-commerce companies easily ignore the tax authorities, do not carry out business registration or tax registration. No declaration or low declaration of transaction value/income for tax evasion is the most common tax evasion and most difficult to control in e-commerce business (Ly Phuong Duyen, 2015). So, it is necessary to amend and supplement the Law on Tax Administration towards the goal of creating a legal framework to apply e-tax management and be compatible with the development of current e-commerce.

Currently, the e-commerce business environment in Vietnam is developing rapidly and meeting the basic needs of consumers. However, more and more e-commerce disputes arise and increase in both scale and level. According to the E-Commerce and Digital Economy Agency, there are now many businesses and individuals promoting and providing products and services on e-commerce trading floors but the e-commerce floor management unit is not present in Vietnam, so when the dispute occurs during the transaction, the consumer is directly damaged. The legal framework for e-commerce is built in great detail, however, with the development and change of e-commerce, this legal corridor became inconsistent with the new situation. Many trade frauds are complicated and the level of violation is more serious, making the e-commerce business environment unfair, causing damage and losing consumer trust. On the other hand, when disputes occur between consumers and businesses or individuals trading goods and services via the internet, consumers do not know which agency to "knock on" to get support. Therefore, in order e-commerce activities to operate effectively, develop sustainably and improve consumer trust, according to the proposal of the representative of e-commerce trading floor Fado, the Ministry of Industry and Trade should be the arbitrator to settle digital commerce disputes (Thuy Ha, 2018).

4. Results

From the above analysis, it can be concluded that Vietnam's e-commerce is developing very dynamically. According to the E-economy SEA 2018 of Google and Temasek, the internet economy of Vietnam is akin to a dragon being unleashed, has almost tripled in three years (\$9 billion in 2018, 38 % CAGR in 2015-2018), driven by e-Commerce and Online Media (Google, Temasek, 2018: 7). The Vietnamese Internet economy is booming, it is expected that by 2025, Vietnam's internet economy will reach 33 billion USD with CAGR of 25 %. Decision No 1563/QĐ-TTĐ of Prime Minister of August 08, 2016, to approve master plan for e-commerce development in the 2016-2020 period affirms that e-commerce is an important infrastructural factor of the commerce sector and of information society; is a mean helping Vietnamese enterprises to enhance domestic market development and develop the export and import, participating in the global supply chain, increasing national competitiveness in international integration; contributing in the enhancement of industrialization and modernization of Vietnam. Vietnam's development target to 2020 will be: 30 % of the population make online purchase with the total value of 350 USD/person/year on average; B2C e-commerce sales equivalent to USD 10 billion, accounted for 5 % of the total retail sales of goods and the consumption turnover of the whole country; 100 % of supermarkets, shopping malls, and modern distribution establishments accept the payment via Point of Sale (POS) system and allow consumers to make non-cash payment when buying products; a number of large e-commerce traders which are reputable in Southeast Asia are established. In addition to bringing great opportunities in economic growth and international integration, bringing profits to businesses and to meet the increasing demands of consumers, e-commerce still has its downsides. The current legal system of e-commerce regulation of Vietnam has not yet fully adjusted the new activities arising in e-commerce. Therefore, in the coming time, it is necessary to study and amend the Commercial Law 2005, Law on Tax Administration 2006, Decree 52/2013/ND-CP and related documents to complete the legal framework to regulate and suit the new development situation of e-commerce. E-commerce has many positive effects but is also susceptible to spreading viruses, attacking websites; distributing electronic mail, spam messages; stealing money from ATM cards. On the other hand, there are also illegal transactions on the Internet such as: selling drugs, smuggling, selling fake goods. Therefore, there

should be mechanisms to control violations and ensure the safety of e-commerce transactions (Tran Anh Thu, Luong Minh Phuong, 2018). Besides, it is necessary to apply advanced technology in e-commerce management, improve the power of the state management team on e-commerce, need to stipulate strict sanctions for the acts commercial fraud, unfair competition, deceiving consumers. Overall research and regulation on non-cash e-commerce transactions, electronic payment development, logistics, and delivery services and strengthening the legal basis for consumer protection are needed. Especially for consumers, we must fully understand the necessary knowledge to protect ourselves, find out carefully the information about goods and services before buying, choose to buy goods and services on reputable e-commerce websites. E-commerce is booming and changing the shopping habits of consumers all over the world, therefore, be a smart consumer in this dynamic growing e-commerce industry.

5. Conclusion

Vietnam is a member of WTO, ASEAN, APEC, ... and actively participate in e-commerce development activities at regional and international levels. Vietnam's participation in regional cooperation agreements on e-commerce such as ASEAN agreement on e-commerce, APEC cross-border e-commerce facilitation framework strengthened the legal framework and facilitated Vietnam's e-commerce development in the near future. Cross-border e-commerce is one of the fastest growing segments of global trade, growing from practically zero two decades ago, to an estimated value of 1.92 trillion USD globally by the end of 2016. The Asia-Pacific region also had the biggest volume of sales in 2016. Cross-border B2C e-commerce sales in the Asia-Pacific region reached 144 billion USD, accounting for 35.9 % of worldwide cross-border B2C e-commerce sales. The figures are estimated to be 476 billion USD and 47.9 % in 2020 (Shi Dongwei, 2016). Vietnam e-commerce Association asserts that from 2016, Vietnam e-commerce shifted to the third phase with the fast and stable growth the key characteristics. In this period, online transactions will rise in both number and value (VECOM, 2018: 19). According to the forecasts of Google and Temasek, by 2025, e-commerce revenue in Vietnam will reach 15 billion USD. This is a very impressive number, promising a vibrant e-commerce market both in size and quality. In order to achieve these goals, Vietnam needs to come up with solutions combining the law system on e-commerce, the power of state management, improve awareness and enforcement of e-commerce laws of traders and consumers; strengthen international cooperation with countries and regions on e-commerce; improve and ensure safety for e-commerce business environment with modern technology applications, protect legitimate rights and improve consumer trust in e-commerce. In order to develop e-commerce sustainably, government, business, and consumers cannot stand outside.

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