



MINISTRY OF INDUSTRY AND TRADE  
VIETNAM COMPETITION AND CONSUMER AUTHORITY

# ANNUAL REPORT 2019



# [ CONTENTS ]

Abbreviations.....	4
VIETNAM COMPETITION AND CONSUMER AUTHORITY.....	5
MILESTONES OF VIETNAM COMPETITION AND CONSUMER AUTHORITY .....	6
ORGANIZATIONAL CHART.....	10

## [ STATE MANAGEMENT ON COMPETITION ]

A - LEGISLATION DEVELOPMENT.....	14
B - COMPETITION LAW AND POLICY ENFORCEMENT.....	15
1. Competition restriction case investigation.....	15
2. Investigation and settlement of unfair competition cases.....	20
3. Supervision of the implementation of exemption decision on competition restriction agreements and economic concentration.....	24
4. Economic concentration control.....	25
5. Examination and supervision of competition laws compliance.....	26

## [ STATE MANAGEMENT OVER MULTI-LEVEL MARKETING ACTIVITIES ]

1. The reception and settlement of administrative procedures.....	30
2. Inspection and violations handling.....	31
3. Examination and certification of legal knowledge in multi-level marketing activities.....	31
4. Function of advising, directing and assisting in the management of multi-level marketing activities.....	32
5. Advocacy and dissemination for legal documents.....	34
6. Handling the complaints of multi-level marketing activities.....	35

## [ STATE MANAGEMENT OVER CONSUMER PROTECTION ]

### A - LEGISLATION DEVELOPMENT

1. Decision amending Decision No. 35/2015/QĐ-TTg.....	38
2. Directive of the Central Committee Communist Party's Secretariat of Vietnam on strengthening the Communist Party's leadership and the State's management responsibility on consumer protection .....	38

### B - CONSUMER PROTECTION ENFORCEMENT

1. Consultation and settlement of consumer complaints.....	39
2. Recall of defective products.....	44
3. Inspection of violations on consumer protection law.....	45
4. Registration of standard form contract and general transaction conditions.....	45
5. Consultations and support for consumers.....	46

## [ OTHER SUPPORTING ACTIVITIES ]

1. Education and advocacy.....	52
2. International Cooperation.....	56
3. Negotiation and implementation of competition provisions in bilateral and multilateral Free Trade Agreements (FTAs).....	62
4. The development of relevant agencies and organizations network on consumer protection .....	63
5. Researches .....	63

## [ DIRECTION IN 2020 ]

1. Legislation development.....	66
2. Enforcement of Competition Law.....	66
3. State management on multi-level marketing activities.....	68
4. Enforcement of legislations on consumer protection.....	69
5. Other supporting activities.....	70

## ABBREVIATIONS

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



## VIETNAM COMPETITION AND CONSUMER AUTHORITY

*Vietnam Competition and Consumer Authority is an agency under the Ministry of Industry and Trade which has functions of enforcing the competition law and consumer protection law in order to ensure healthy competitive environment, build up equal opportunities for market players as well as protect the legitimate rights and interests of consumers.*

*The Competition Law No. 23/2018/QH14 (The Competition Law 2018) passed by the XIV National Assembly officially took effect since July 1, 2019 with many amended and supplemented provisions which contribute to build up more competitive environment and boosted the development of business community in Viet Nam.*

*Directive No. 30-CT/TW issued by the Central Committee Communist Party's Secretariat of Vietnam on January 22, 2019 on strengthening the Party's leadership and State management responsibility over the protection of consumers' interest. The Directive specifies 06 solutions which promote the achievement, overcome the limitations and weaknesses as well as enhance the effectiveness of consumer protection activities in the new situation.*

# MILESTONES OF

## VIETNAM COMPETITION AND CONSUMER AUTHORITY



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

2004

2005

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

2003

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

2006

- The Government issued Decree No. 06/ND-CP regulating the functions, tasks, powers and organizational structure of Vietnam Competition Authority (VCA) and Vietnam Competition Council (VCC).
- VCA investigated the first case of unfair competition regarding GSK Pharmaceutical Group's claiming that Vidipha's Zaniat antibiotic packaging is confusingly similar to GSK's Zinnat antibiotic packaging.

2007

- Investigated the first case of competition restriction regarding the complaint of Tan Hiep Phat Trade and Service Ltd Company to the abuse of the dominant position of the Vietnam Brewery Joint Venture Company in preventing the entry of new competitors;
- Became the member of the ASEAN Experts Group on Competition (AEGC);
- Established representative office in Ho Chi Minh City.

2008

- Received the first notification of economic concentration regarding the merger deal between Tan Mai Paper Joint Stock Company and Dong Nai Paper Joint Stock Company;
- Investigated and applied penalties of Vinapco Petroleum Joint Stock Company with a fine of 3,378,000,000 VND for the abuse of dominant market position;
- Established Center for Competition and Information Date (CCID) under the VCA.



2009

- Became the member of the International Competition Network (ICN). 
- Established Representative office in Da Nang city and Investigator training center.

2010

- The Law on Protection of Consumers' Rights was passed by the National Assembly;
- Investigated and sanctioned insurance enterprises for acts of price fixing agreement in the field of vehicle insurance;
- Hold the chairmanship of ASEAN Experts Group on Competition.



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 on detailing the implementation of a number of articles of the Competition Law.

2013

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

2014

- Promulgated a number of legal documents on competition and consumer protection.

2015

- Operated the Call Center for supporting and advising consumers 1800 6838 (free nationwide); 
- Completed Report on 10 years of implementation of Competition Law.

2016

- The Law on Competition amendment project was included in the program of law amending by the National Assembly;
- The Prime Minister officially announced annual March 15th is as the Viet Nam Consumers' Right Day.

2017

- Amending Law on Competition;
- Vietnam Competition and Consumer Authority was established (separated from the Vietnam Competition Authority). 

2018

- The Law on Competition 2018 was issued;
- Completed the investigation of Grab - Uber case.

2019

- The Party Secretariat issued Directive No. 30-CT/TW on strengthening the Party's leadership and State management responsibility for the protection of consumers' interests.
- + The Law on Competition 2018 officially took effect since July 1, 2019.

# ORGANIZATIONAL STRUCTURE

## VIETNAM COMPETITION AND CONSUMER AUTHORITY





## STATE MANAGEMENT ON COMPETITION

● LEGISLATION  
DEVELOPMENT

● COMPETITION LAW AND  
POLICY ENFORCEMENT

---

According to Article 7 the Law on Competition 2018, the roles of state management responsibilities on competition are stipulated as follows:

- The Government shall perform uniform state management of competition;
- The Ministry of Industry and Trade shall be the designated contact point that assists the Government in state management of competition;
- Ministries, ministerial-level agencies, within their tasks and powers, shall cooperate with the Ministry of Industry and Trade in state management of competition;
- People's Committees of provinces, within their tasks and powers, shall perform state management of competition.

## A | LEGISLATION DEVELOPMENT



### DECREE NO. 75/2019 / ND-CP OF THE GOVERNMENT ON SANCTIONING OF ADMINISTRATIVE VIOLATIONS IN THE FIELD OF COMPETITION.

In order to ensure the implementation of the Competition Law 2018, on September 26, 2019, the Government issued Decree No.75/2019/ND-CP on penalties for administrative violations in the field of competition, taking effective since December 1, 2019. Decree No. 75/2019/ND-CP is an important legal basis for handling violations of competition law that has been amended and completed in the Competition Law 2018.

- *The maximum fine imposed for a violation against other regulations on unfair competition is VND 2,000,000,000, an increase of 10 times compared to the maximum fine for this act in the previous Decree No.71/2014/ND-CP.*

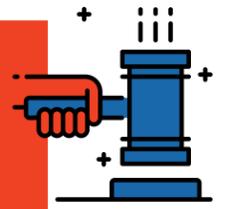
Beside the above mentioned sanctions, organizations and individuals involved in administrative violations of competition law shall also be applied one or several remedial measures such as: make public correction of information, remove violating elements on its goods, goods labels, and means of trading or articles; the enterprise that abuses its dominant position is forced to carry out restructuring; the violating entity is forced to remove illegal terms and conditions from business contracts, agreements or transactions; forced to carry out full/ partial division, sell the part or all of paid-in capital and assets which have purchased after economic concentrations...



Decree 75/2019/ND-CP includes 04 Chapters, 36 Articles stipulating sanctions against acts of competition restriction agreements, abusing dominant and monopoly position on the market; violations of regulations on economic concentration; acts of unfair competition and violations of other provisions of Competition Law. ”

- *The maximum fine imposed for a violation against regulations on anti-competitive agreements or abuse of dominant position or monopoly position shall be 10% of total turnover of the violating enterprise earned from the relevant market in the financial year preceding the year in which it committed the violation.*
- *The maximum fine imposed for a violation against regulations on economic concentration shall be 05% of total turnover of the violating enterprise earned from the relevant market in the financial year preceding the year in which it committed the violation. If total turnover of the violating enterprise earned from the relevant market in the financial year preceding the year in which it committed the violation as prescribed above is zero as determined, it shall be liable to a fine ranging from VND 100,000,000 to VND 200,000,000.*

## B | COMPETITION LAW AND POLICY ENFORCEMENT



### 1. COMPETITION RESTRICTION CASE INVESTIGATION

VCCA conducted the supplemented investigation of Grab-Uber case with signs of competition law violation.

In 2019, VCCA concluded their supplemented investigation and submitted the investigation dossier of Grab and Uber case in Viet Nam to the Competition Case Handling Council (Competition Case No. 18 KX HCT 01). On June 11, 2019, the Competition Case Handling Council issued the Decision No. 26 / QD-HDXL dated June 17, 2019 on settling the competition case No. 18 KX HCT 01. On June 25, 2019, VCCA lodged a complaint to the Competition Council to appeal the Decision No. 26/QD-HDXL dated June 17, 2019 of the Competition Case Handling Council. On June 27, 2019, the Office of Viet Nam Competition Council issued a written document accepting the complaint from the VCCA according to Article 109 of the Competition Law 2004.

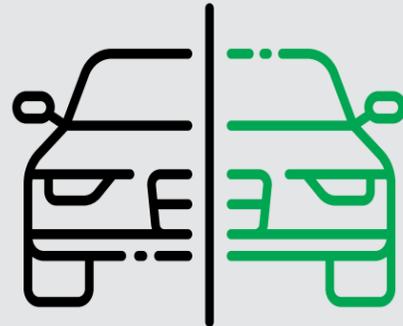


**BOX**  
**01**

**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.

**CASE OVERVIEW**



**U B E R**

GRABTAXI CO.,LTD AND UBER VIETNAM CO.,LTD SIGNED A TRANSFER BILL OF SALE



UBER VIETNAM CO., LTD TRANSFERRED IT'S OBLIGATIONS, ASSETS AND BUSINESS ACTIVITIES TO GRABTAXI CO., LTD



VCCA COMPLETED ITS OFFICIAL INVESTIGATION AND TRANSFERRED INVESTIGATION REPORT TO VCC FOR DECISION

**BOX**  
**02****BID RIGGINGS IN MEDICAL SUPPLIES****1. Enterprises under investigation**

- An Phu Medical and Trading Joint Stock Company (An Phu Company);
- Central Pharmaceutical CPC1 Joint Stock Company (CPT1 JSC);
- B.Braun Vietnam Co., Ltd.

**2. Case Content**

In September 2019, An Phu Company issued the documents (Document No.25/2019/CV-AP and No. 26/2019/CV-AP) reflecting signs of violations of Law on Competition and Law on Tendering which were conducted by B.Braun VN Co., Ltd. and CPT1 JSC. In particularly as follows:

“An Phu Company is participating in Tender Package 11: Medical supplies under the procurement package of laboratory chemicals, consumables and concentrated biologicals called by Bac Ninh Department of Health in 2019.”

- In the bidding document, An Phu Company offers 07 medical supplies of B.Braun (3-barrel catheter, infusion line, blood transfusion line, transmission line for electric syringe, neonatal electric syringe connection line, 3-pin lock and needle thread) from B.Braun Vietnam Co., Ltd.

- On August 27, 2019, Bac Ninh Department of Health issued Decision No. 511/QD-SYT approving An Phu Company as a first-ranked contractor.

- Based on the approval result, on August 28, 2019, Bac Ninh Department of Health invited An Phu Company to negotiate a contract and request an authorization letter of sale for the supplied products.

- An Phu Company contacted B.Braun Vietnam Co., Ltd. to ask for the authorization to sell B.Braun products; however, An Phu Company was rejected due to the reason that there was a competition between An Phu Company and another company that B.Braun has provided the authorization letter of sale.

- Bac Ninh Department of Health requires An Phu Company to provide documents related to the certification of partnership or cooperation between B.Braun Vietnam Co., Ltd. and CPT1 JSC.

- An Phu Company asked CPT1 JSC to provide documents relating to the certification of being a partner or cooperating with B.Braun Vietnam Co., Ltd.; however CPT1 JSC refused An Phu Company with the reason that B.Braun Viet-



nam Co., Ltd. did not accept this request. CPT1 JSC only agrees to supply their products if it is confirmed by B.Braun Vietnam Co., Ltd.

**3. Concern on competition**

On the basis information, An Phu Company said that the above behavior of B.Braun Vietnam Co., Ltd. and Central Pharmaceutical CPC1 showed the signs of violating Law on Competition.

**4. Investigation results**

According to the reflected information, VCCA initially determined the behavior of B.Braun Vietnam Co., Ltd. and Central Pharmaceutical CPC1 JSC, which are likely to constitute the act of bid rigging under the provisions of Point c, Clause 3, Article 89 Law on Tendering (acts of agreeing on refusing to supply goods, not signing subcontracting contracts or request other forms of difficulties for parties not participating in the agreement). At the same time, the act might also constitute a competition restriction agreement in accordance with the Competition Law 2018. In order to have a basis for accurately and objectively assessment of the case, VCCA requested related parties to explain and provide information. Since the related parties had an awareness of the risk for violations of Law on Competition, these relevant stakeholders committed An Phu Company to perform their contracts as under the bidding package.



## 2. INVESTIGATION AND SETTLEMENT OF UNFAIR COMPETITION CASES

- VCCA issued sanctioning decisions for 04 unfair competition cases regarding unfair competition violations in the form of misleading instructions being investigated since 2018. In addition, VCCA handled 01 case with competition legal proceedings regarding violations in multi-level trading activities with a total fine of VND 261,250,000.

- VCCA received 22 new complaints related to unfair competition acts. However, after reviewing the content of these complaints, VCCA had to return their document due to the complainants could not provide sufficient evidences to prove the violations of the complained party.

BOX  
**03**

### UNFAIR COMPETITION ACT OF MISLEADING USE OF INSTRUCTION

#### 1. Enterprises under investigation

Complainant: Gold Choice Co., Ltd.

Investigated party: Ba Dinh Pharmaceutical Biological Joint Stock Company.

Related products: New Choice and Welchoice contraceptive packaging.

#### 2. Case Content

VCCA received a complaint from Golden Choice Co., Ltd. against Ba Dinh Pharmaceutical Biological Joint Stock Company for manufacturing and distributing Welchoice oral contraceptive products which cause confusion with their contraceptive packaging products NewChoice.

Welchoice and Newchoice contraceptive products are similar products and have the same targeted customers. However, Welchoice contraceptive product appeared on the market later compared to the Newchoice's packaging (the complainant's).



#### 3. Concern on competition

By providing products with similar usages and packaging to the existing products on the market, the violated behavior of the complained party might be considered as unfair competition signals, which causes damage and harm to other entities in the market. In particularly:

- *Causing confusion to the consumers' awareness that lead them to buy unsatisfactory products without noticing.*
- *Causing damage to enterprises which have similar products.*
- *Consumers must use the unintended products that may also cause other related implications for the society if the product has not good quality, affecting other state management policies.*

#### 4. Investigation results

In this case, VCCA issued Decision No. 62/QĐ-CT on May 17, 2019 sanctioning Ba Dinh Biological Pharmaceutical Joint Stock Company with a fine of VND 86,250,000 for the violation of using the instructions which cause confusion as stipulated in Clause 1 Article 40 of the Competition Law.

#### 5. Recommendation to the consumers/ enterprises

- The consumers should be careful and proactively check products to ensure the quality;
- The enterprises suffering damages caused by unfair competition acts should immediately inform authorities and use competition legal instruments to protect their legitimate rights.

CASE OVERVIEW



CJ MINH DAT FOOD FILED COMPLAINT AGAINST MINH DAT INTERNATIONAL FOR THE UNFAIR COMPETITION ACT



MINH DAT INTERNATIONAL TRADING USED SIMILAR PRODUCT PACKAGING AS CJ MINH DAT FOOD'S PRODUCT PACKAGING



SANCTIONING MINH DAT INTERNATIONAL TRADING CO., LTD WITH A FINE OF VND 75,000,000 FOR THE ACT OF MISLEADING INDICATION ON PRODUCT PACKAGING

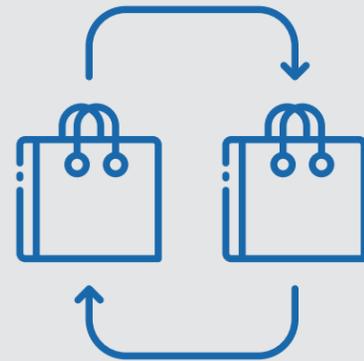
BOX 04

CASE OF MISLEADING INDICATIVE BEHAVIOR ON PRODUCT PACKAGING

1. Enterprises under investigation

Complainant: CJ Minh Dat Food Co., Ltd.

Investigated party: Minh Dat International Trading Co., Ltd.



2. Case Content

VCCA received a complaint from CJ Minh Dat Food Co., Ltd. against Minh Dat International Co., Ltd. for the unfair competition act.

Minh Dat International Trade Co., Ltd. was established after CJ Minh Dat Food Co., Ltd; however, they provided a number of similar products as CJ Minh Dat Food Co., Ltd. such as beef balls, fish balls, seafood, vegetables and shrimp balls.

Minh Dat International Trading Co., Ltd used the same product packaging as the products previously provided by CJ Minh Dat Food Co., Ltd.

The owner of Minh Dat International Trading Co., Ltd. used to work as a manager at CJ Minh Dat Food Co., Ltd.

3. Concern on competition

By producing products with similar uses and packaging to products that have existed on the market before, the investigated Party's behavior is considered as an unfair competition act which causes damage harm to different entities in the market:

- Causing confusion to the consumers' awareness which lead the consumers to buy unsatisfactory products without acknowledgement.
- Causing damage to businesses with misleading products.



4. Investigation results

Based on the investigation result, VCCA issued a decision to sanction Minh Dat International Trading Co., Ltd. with a fine of VND 75 million for misleading indication on product packaging, violating Article 40 of the Law on Competition.

5. Recommendation to the consumers/enterprises

- Consumers should be careful and proactively check products to ensure right products with quality assurance;
- Enterprises suffering damages caused by unfair competition acts should immediately inform state management agencies and use competition legal instruments to protect their legitimate rights.

### 3. SUPERVISION OF THE IMPLEMENTATION OF EXEMPTION DECISION ON COMPETITION RESTRICTION AGREEMENTS AND ECONOMIC CONCENTRATION

On October 9, 2017, the Minister of Industry and Trade issued Decision No. 3872/QĐ-BCT on granting exemption of the competition restriction agreement between Vietnam Airlines Corporation and Societe Air France (Air France) in the agreement of “Joint venture contract” in the scope of air passenger service on HAN-CDG (Hanoi - Paris) (and vice versa) and SGN - CDG (Ho Chi Minh - Paris) (and vice versa) within 03 years.

On August 30, 2018, the Minister of Industry and Trade issued Decision No. 3105/QĐ-BCT on granting exemption of the competition restriction agreement between Jetstar Pacific Aviation Joint Stock Company (Jetstar Pacific) and Jetstar Asia Airways PTE. LTD (Jetstar Asia) in the agreement of “Joint venture contract” in the scope of air passenger service on the route Da Nang - Singapore (and vice versa) within 03 years.

On December 22, 2014, the Prime Minister issued Decision No. 2327/QĐ-TTg on granting exemption of economic concentration for Vietnam National Payment Joint Stock Company (NAPAS).

In 2019, VCCA supervises of the implementation of above mentioned exemption decisions.



### 4. ECONOMIC CONCENTRATION CONTROL

As implementing the function of state management on economic concentration activities, in 2019, VCCA: (1) received and handled 01 economic concentration notification in accordance to the Law on Competition 2004; (2) received and handled 05 economic concentration notifications according to the Law on Competition 2018; (3) actively reviewed 02 economic concentration cases; and (4) investigated 01 economic concentration case for violating Competition Law 2004, specifically:

- 1. Review and respond to the merger notification of Gebr. Knauf Kg, World Cup Acquisition and USG Corporation according to the Law on Competition 2004.**
- 2. Receive and process 05 dossiers of economic concentration cases according to the Law on Competition 2018:**
  - An economic concentration between Vietnam Dairy Products Joint Stock Company (Vinamilk) and GTN foods Joint Stock Company;
  - An economic concentration notification of Saigon Co.op acquiring French Auchan retail's operation in Viet Nam;
  - An economic concentration between Sen Do Technology Joint Stock Company and Tiki Joint Stock Company;
  - An economic concentration between Greedfeed Vietnam Joint Stock Company and Quang Dung Technology Distribution Joint Stock Company;
  - An economic concentration between 02 beverage enterprises.
- 3. Request enterprises to explain, provide information and evaluate the reviewing of the economic concentration of:**
  - An economic concentration of VinCommerce General Commercial Services Joint Stock Company (VinCommerce) and VinEco Agricultural Production Development Investment Co., Ltd. merged into Masan Group;
  - An economic concentration case of Taisho Pharmaceutical Co. Ltd., (Japan) buys shares of Hau Giang Pharmaceutical Joint Stock Company.



## 5. EXAMINATION AND SUPERVISION OF COMPETITION LAW COMPLIANCE

- VCCA examined the CJ CGV Vietnam Co., Ltd. for the performance and compliance of competition law;
- VCCA participated in the inspection team and worked with enterprises in the pork market to create and maintain a fair, transparent and competitive environment; improve the economic efficiency, social welfare and protect the consumers' rights;
- VCCA also strengthened the implementation of (i) resolving proposals and feedbacks from organizations and individuals; (ii) proactively reviewing and clarifying signs of violations of competition laws regarding competition restriction acts and prohibited acts of state management agencies (Article 8, Competition Law 2018 ); (iii) providing appropriate recommendations to relevant organizations, individuals and sectoral management agencies to ensure competition in the market.

BOX

05

### A SIGN OF PROHIBITED ACT OF STATE MANAGEMENT AGENCIES

#### 1. Enterprises under investigation

- **Tanh Linh District People's Committee - Binh Thuan Province.**



#### 2. Case Content

In August 2019, Tanh Linh District People's Committee - Binh Thuan Province issued Document No. 1489/UBND-VX to the Department of Education and Training and schools (including kindergarten schools, elementary schools, secondary schools and high schools) within the district to appoint an insurance company to conduct insurance for all students in the district.



#### 3. Concern on competition

Based on the above-mentioned information, VCCA stated that the administrative guidance document of Tanh Linh District People's Committee - Binh Thuan Province could cause difficulties for the operation of other insurance enterprises, anti-compete on the market and there is a risk of violating the prohibition on state agencies as prescribed by the Competition Law.

#### 4. Investigation results

VCCA issued a written response and (i) requested People's Committee of Tanh Linh District - Binh Thuan Province to report; (ii) requested the Department of Industry and Trade of Binh Thuan Province to coordinate in the verification and recommend the People's Committee of Binh Thuan Province to direct and request all agencies and units in the province not to issue any administrative documents might lead to hinder competition or directly intervene competition activities on the market.

According to document No. 1708/UBND-NC dated September 17, 2019, Tanh Linh District People's Committee - Binh Thuan Province recalled the mentioned Document No. 1489/UBND-VX.

CỤC CẠNH TRANH VÀ BẢO VỆ NGƯỜI TIÊU DÙNG



VIETNAM COMPETITION & CONSUMER PROTECTION



STATE MANAGEMENT

# OVER MULTI-LEVEL MARKETING ACTIVITIES

In 2019, there were 03 enterprises newly granting of multi-level sales registration certificates; 04 enterprises actively terminated operations; and 05 enterprises being recalled multi-level sales registration certificates for dismeet the conditions as prescribed in the Government's Decree No. 40/ND-CP dated March 12, 2018 on the management of multi-level marketing activities.

In 2019, there were 03 enterprises newly granting of multi-level sales registration certificates; 04 enterprises actively terminated operations; and 05 enterprises being recalled multi-level sales registration certificates for dismeet the conditions as prescribed in the Government's Decree No. 40/ND-CP dated March 12, 2018 on the management of multi-level marketing activities.

Up to February 2020, VCCA recalled 1 certificate and another 1 certificate has been expired.

Thus, by the end of February 2020, the number of enterprises operating multi-level marketing activities on the market was 22, 26% decrease compared to the end of 2018.

According to statistic from 23 enterprises, the total number participating in multi-level marketing in 2019 was 1,086,781 participants, decreased by 159,415 people (about 13%) compared to the end of 2018. Of which, the number of participants who generated revenues and commissions was about 504,472, approximately 50% of total.

In 2019, VCCA effectively conducted the state management on multi-level marketing activities nationwide.



## 1. THE RECEPTION AND SETTLEMENT OF ADMINISTRATIVE PROCEDURES



The reception and settlement of administrative procedures were strictly implemented in compliance with the provisions of laws.

VCCA received 36 registration dossiers of granting new multi-level sales registration certificates, 39 dossiers of amendment and supplementation of certificates, 62 notification dossiers of information changing in the list of goods traded by the multi-level marketing method, 23 dossiers of extension the certificates. VCCA granted 03 new multi-level sales registration certificates.

## 2. INSPECTION AND VIOLATIONS HANDLING

In 2019, VCCA inspected 04 enterprises on the legal compliance of the multi-level marketing activities, in which VCCA completed and sanctioned 03 enterprises with a total fine of more than VND 1.4 billion and recalled 1 certificate.

VCCA also recalled 5 certificate of registration of 05 enterprises dismeeting the operation conditions.

With 03 enterprises terminated the operation due to expired certificates, currently there are only 22 enterprises nationwide owning the certificates of registration.

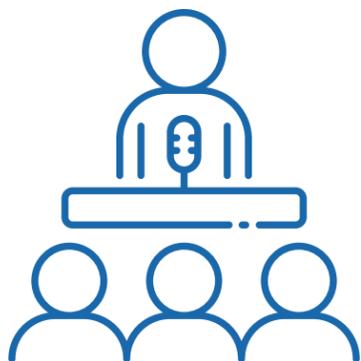


## 3. EXAMINATION AND CERTIFICATION OF LEGAL KNOWLEDGE IN MULTI-LEVEL MARKETING ACTIVITIES

In 2019, VCCA conducted the examination on legal knowledge in multi-level marketing activities, thereby provided certifications to 42 individuals from 11 enterprises operating in multi-level marketing activities.



#### 4. FUNCTION OF ADVISING, DIRECTING AND ASSISTING IN THE MANAGEMENT OF MULTI-LEVEL MARKETING ACTIVITIES



In 2019, VCCA continues to maintain the effectiveness of advisory activities to the Ministry leaders, guide and support the provincial Industry and Trade Departments in the management of multi-level marketing activities. VCCA regularly and actively reports to the Ministry's leaders on the situation and problems arising in the process of managing the multi-level marketing activities, promptly prepares reports for the National meetings regarding the management of multi-level marketing activities; advises the Ministry leaders in directing and consults the local authorities in their management.

In the management function, VCCA regularly keeps contact with the Department of Industry and Trade at provinces and cities directly under the Central Government, timely guide and support localities in their state management of multi-level marketing activities. In particular:

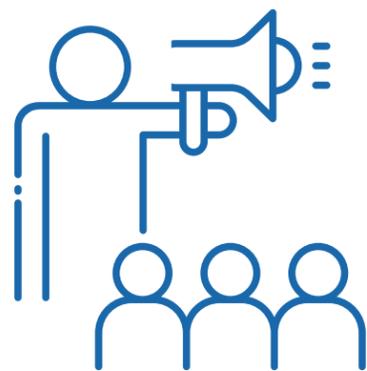
- i. VCCA organized 3 conferences to summarize the management of multi-level marketing activities in 2018 in the North, Central and South. As the result, VCCA provided the management of multi-level marketing activities nationwide in 2018, received feedbacks and answered the problems of the local Department of Industry and Trade in the management of multi-sales activities.
- ii. The problems and difficulties of the Departments of Industry and Trade reflected in written documents are also directly responded by the VCCA or Ministry's leaders based on the VCCA's recommendations.
- iii. VCCA also actively issues guiding documents to support Departments of Industry and Trade more convenient in managing multi-level marketing activities in localities;
- iv. The internal information page on managing multi-level marketing activities is maintained and regularly updated in order to quickly and effectively provide management information to provincial Departments of Industry and Trade.
- v. In addition, VCCA also regularly interacts with others provincial Departments of Industry and Trade through different channels such as emails, phone calls or direct email to enterprises.





## 5. ADVOCACY AND DISSEMINATION FOR LEGAL DOCUMENTS

In 2019, the advocacy and dissemination for the law on multi-level marketing are maintained by the VCCA, particularly:



- i. *Public news and articles on management information of multi-level marketing activities; news and articles to warn consumers about some multi-level enterprises with signs of operating without certificates such as Vital4U, Atomy. These warning articles have been republished by many media and press agencies, contributing to communication effectiveness raising awareness and helping consumer prevent unworthy damage.*
- ii. *Cooperate with media agencies to carry out advocacy activities on multi-level marketing activities such as participating in the seminar organized by the Vietnam Business Forum Newspaper on the occasion of Vietnam Revolutionary Press and participating in the seminar joint-organized by Cong Thuong Newspaper and the VOV Transport radio channel.*
- iii. *Develop a viral video clip to introduce on multi-level marketing activities as well as laws over multi-level marketing activities, complete Q&A handbook about managing multi-level sales models and related legal documents.*

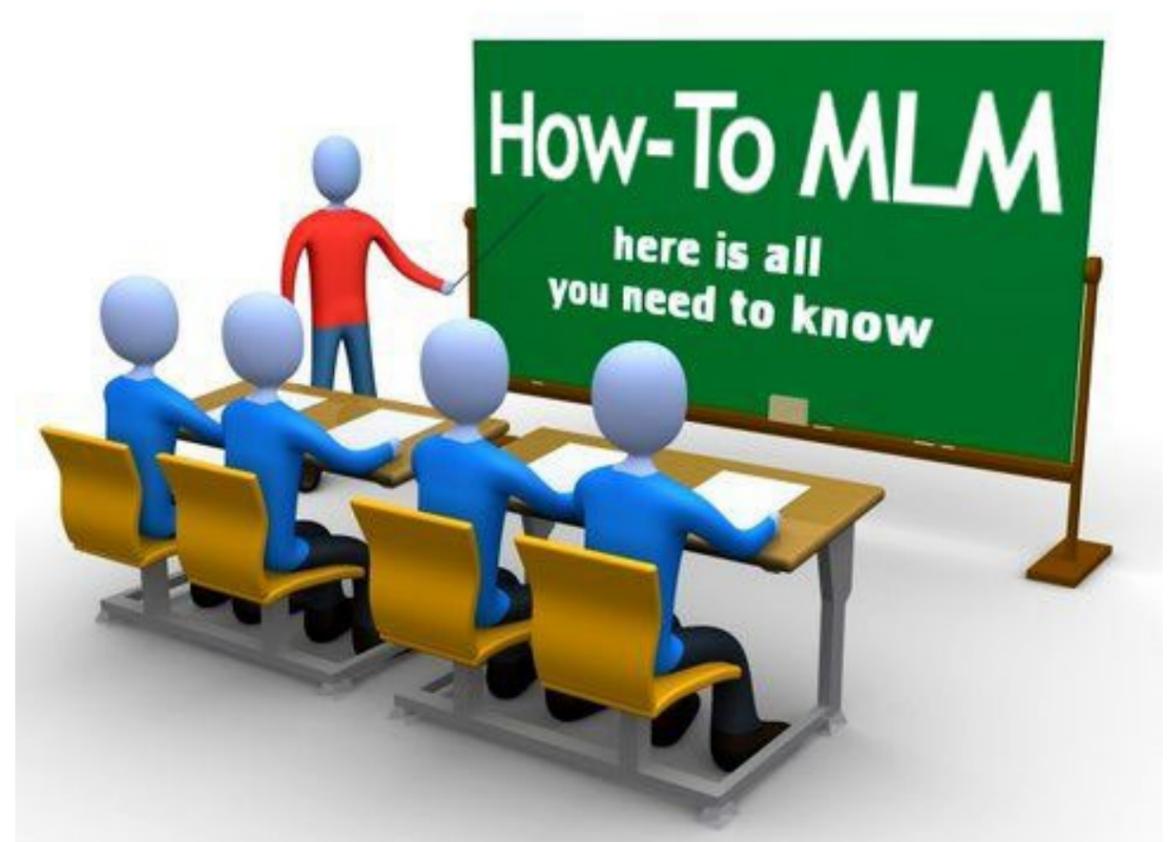
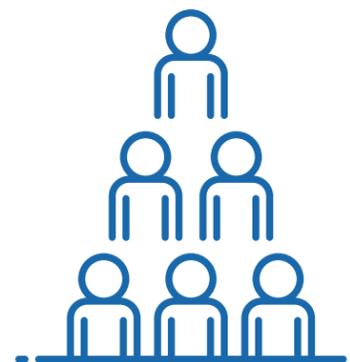
## 6. HANDLING THE COMPLAINTS OF MULTI-LEVEL MARKETING ACTIVITIES

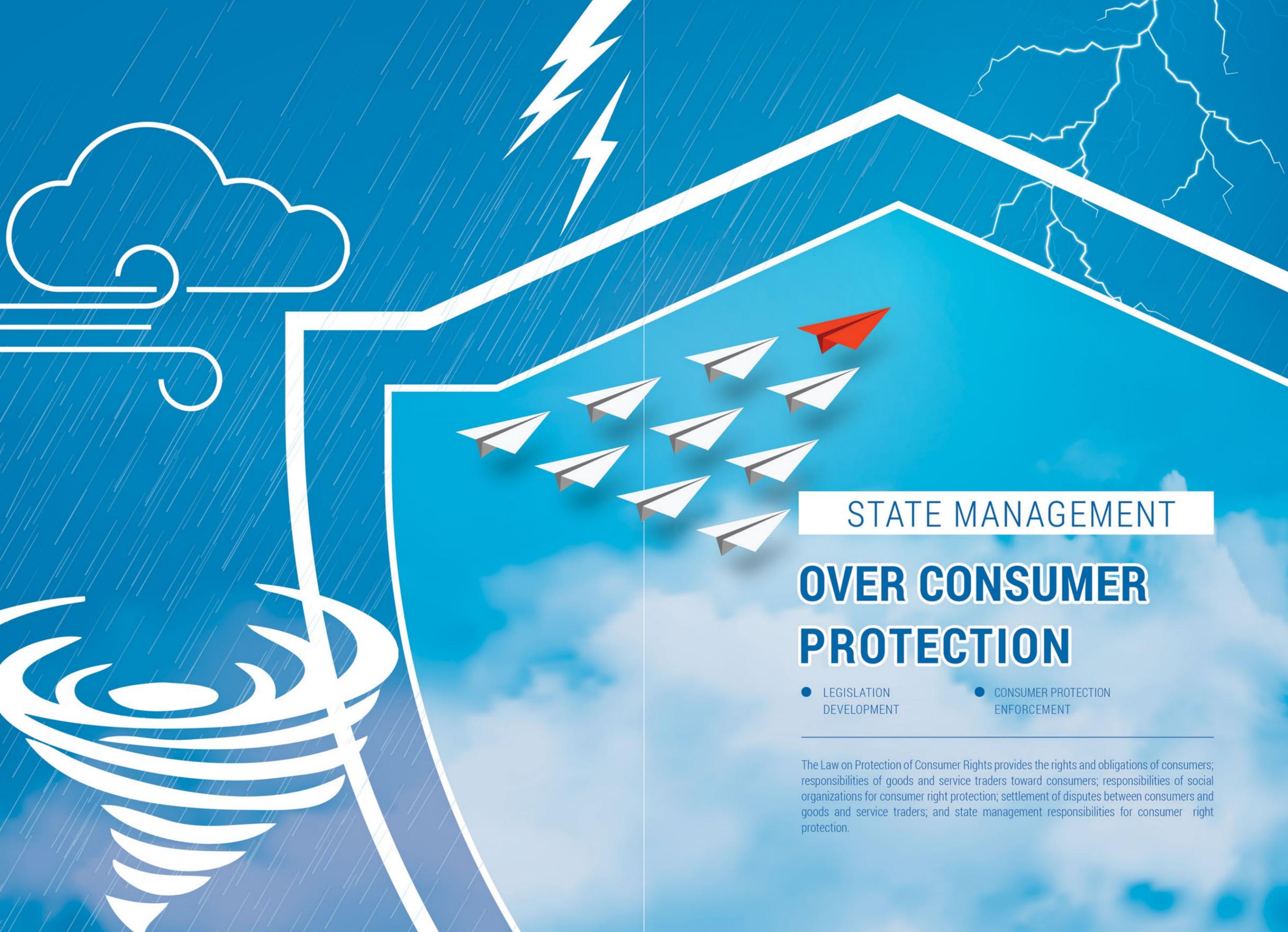
In 2019, VCCA has received about 100 complaints and denunciations relating to multi-level sales participants (some with specific individual names). The number of these complaints and denunciations in the field of multi-level sales activities in this year has shown a sharp decrease compared to previous years.

The received complaints are mainly relating to the enterprises being recalled registration certificate of multi-level sales operation or those operating without this kind of certificate.

The complaints and denunciations related to illegal multi-level sales activities and enterprises are received and handled in accordance with law regulations.

For complaints reflecting acts with signs of fraud, appropriation of assets, VCCA has forwarded to appropriate police agencies.





## STATE MANAGEMENT

# OVER CONSUMER PROTECTION

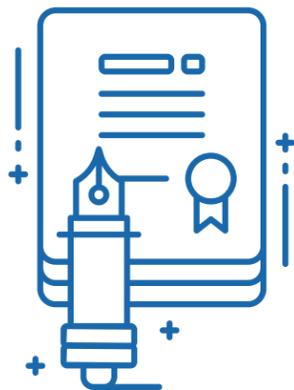
- LEGISLATION DEVELOPMENT
- CONSUMER PROTECTION ENFORCEMENT

The Law on Protection of Consumer Rights provides the rights and obligations of consumers; responsibilities of goods and service traders toward consumers; responsibilities of social organizations for consumer right protection; settlement of disputes between consumers and goods and service traders; and state management responsibilities for consumer right protection.

## A | LEGISLATION DEVELOPMENT



### 1. DECISION AMENDING DECISION NO. 35/2015/QĐ-TTĐ ON AMENDING AND SUPPLEMENTING THE DECISION NO. 02/2012/QĐ-TTĐ DATED 13 JANUARY 2012 OF THE PRIME MINISTER ON PROMULGATING THE LIST OF ESSENTIAL GOODS AND SERVICES SUBJECTED TO REGISTRATION FOR STANDARD FORM CONTRACT AND GENERAL TRANSACTION CONDITIONS



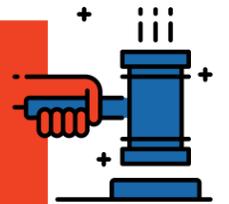
On August 13, 2019, the Prime Minister issued Decision No. 25/2019/QĐ-TTĐ amending Decision No. 35/2015/QĐ-TTĐ dated August 20, 2015 on amending and supplementing the Decision No. 02/2012/QĐ-TTĐ dated January 13, 2012 of the Prime Minister on promulgating the List of essential goods and services subjected to registration for standard form contract and general transaction conditions. The Decision takes effect from October 1, 2019, which removes the life insurance services from the List of essential goods and services subjected to registration for standard form contract and general transaction conditions.

### 2. DIRECTIVE OF THE CENTRAL COMMITTEE COMMUNIST PARTY'S SECRETARIAT OF VIETNAM ON STRENGTHENING THE COMMUNIST PARTY'S LEADERSHIP AND THE STATE'S MANAGEMENT RESPONSIBILITY ON CONSUMER PROTECTION



On January 22, 2019, the Central Committee Communist Party's Secretariat of Vietnam issued the Directive No.30-CT/TW 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, and long-term task, responsibility of the Party Committees, of the government authorities at all levels in the political system as well as relevant organizations in the whole society. Based on the assessment of the current situation with the recognition of drawbacks, the Directive has issued six 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.

## B | CONSUMER PROTECTION ENFORCEMENT



### 1. CONSULTATION AND SETTLEMENT OF CONSUMER COMPLAINTS



In 2019, VCCA supported and resolved 568 consumer complaints submitted via emails, post office or direct complaint walks-in (80% of the complaints were sent via emails), in which there were several cases that have influenced on a large number of consumers or signs of law violation. VCCA has collaborated with related agencies to clarify acts of violation, namely (i) the case relating to online transactions; (ii) the case relating to wrong debt collection with consumer threats and harassment.

Over the settlement of complaints relating to the control of standard form contract and general transaction conditions, in 2019, VCCA received and resolved 43 consumer complaints focusing on three areas: condominium, insurance, and clean water.



**BOX**  
**06**

**THE CASE OF E-COMMERCE TRADING PLATFORM**

**1. Enterprises under investigation**

Lazada.vn e-commerce platform and a number of consumers.



**2. Case Content**

Consumers complaint that they purchase goods on Lazada.vn but receiving goods not in accordance with the advertisement. When contacting, the consumers were explained by Lazada that those transactions were made outside the Lazada platform system, thus they were not entitled to Lazada's return products - refund policy. The consumers were pressing because they were contacted to inform the delivery with exact delivering information including name, address, phone number, product information This case reveals signs of fraud from sellers on Lazada. Specifically, after receiving order, the seller would individually cancelled the order, then contacted the consumer to deliver another product. Lazada said in these situations, the delivery code to the consumer is not similar to the order code on Lazada.vn system and also the shipping agency is not a Lazada's affiliate.

**3. Concern on consumer protection**

The case showed signs of fraud from sellers on e-commerce trading platforms. Meanwhile, in some cases, the e-commerce trading platform has no control over the sellers from individually cancelling trading orders then contacting consumers to deliver other products.



**4. Investigation results**

VCCA has worked with Lazada to resolve the complaints. Accordingly, Lazada handled to punish the sellers that violated the Consumer Protection Law and compensated for the consumers being eligible for the Lazada's return products-refund policy.

**5. Recommendation to the consumers/enterprises**

When purchasing online, the consumers should:

- Only receive goods when their order status on the website is "on delivery", do not receive goods when the order status is "cancelled" or "processing", ...;
- Ensure that the code of delivered package is similar to code of purchasing on website/ confirmation email;
- Check whether the delivery agency is the agency affiliated by the e-commerce platform or not;
- Check whether the information of the bill on delivered package is similar to the form issued by the e-commerce platform.

In addition, the consumers should carefully check the sellers' information before ordering products (such as: feedbacks from previous buyers; other considerations including the sellers with enthusiastic advises; the price is not too low compared to the market price...).

**CASE OVERVIEW**



PURCHASING GOODS ON LAZADA



GOODS RECEIVED ARE NOT AS ADVERTISED. NO RETURN PRODUCTS-REFUND POLICY IS APPLIED



LAZADA HANDLED TO PUNISH THE SELLERS THAT VIOLATED THE LAW ON CONSUMER PROTECTION

BOX

07

CASE OF MISTAKEN DEBT COLLECTION WITH THREATS AND HARASSMENT

1. Enterprises under investigation

Banks, financial companies, debt collection companies, consumer lending companies and a large number of consumers.



2. Case Content

VCCA received complaints from the consumers complaining that they were not involved in borrowing money but constantly being called or texted by debt collectors to harass, threaten or force them to repay an unrelated debt; though the consumers have repeatedly informed that they did not involve in any debt of those business. In some cases, debt collectors even used the images and information of consumers and their relatives to post publicly on social networks with distorted and fabricated contents in order to pressure consumers on repaying the unrelated debts.

3. Concern on consumer protection

The activities of threatening or publicly posting images and information of consumers by some debt collected companies caused negative impacts on consumers in terms of their physical, mental health and reputation as well. Meanwhile, the consumers have faced difficulties in requesting related companies to stop their mistaken debt collection activities.

4. Investigation results

VCCA coordinated and requested related companies to solve the consumers' complaints; as well as published warning articles/notices on website. VCCA also sent information to the Banking Inspection and Supervision Agency of the State Bank to facilitate and handle.

5. Consumer recommendations

For consumers about to sign any consumer credit contract, VCCA recommends:

- i. Clearly understand basic knowledge of loan contract, for example: interest rate, loan period, provisions on early repayment, penalty of late repayment ...
- ii. Only sign contract when understanding clearly all mentioned information in the contract.
- iii. After signing the contract, request and keep a copy of the signed contract.
- iv. When a dispute arises, priority should be given to the use of contacting ways that leaves trace (evidence) like email or post.
- v. Obtain contact information of state management agencies to request the support if necessary.
- vi. For the cases of wrong debt collection, VCCA recommends that consumers should contact the credit companies about their mistaken debt collection. In case of continuous harassment from the credit companies, consumers should contact the relevant consumer protection agencies and consumer protection associations at central and provincial levels across the country for the assistance.



CASE OVERVIEW



BANKS, FINANCIAL COMPANIES, DEBT COLLECTION COMPANIES THREATENED CONSUMERS



CONSUMERS NOT INVOLVED IN BORROWING BUT CONSTANTLY BEING CALLED OR TEXTED TO HARASS, THREATEN OR FORCE TO REPAY



VCCA REQUESTED RELATED COMPANIES TO SOLVE CONSUMERS' COMPLAINTS

## 2. RECALL OF DEFECTIVE PRODUCTS

VCCA received and supervised the implementation of four (04) recall programs of defective products, details as follows:

No	Products	Technical error	Companies	Beginning recalling time
1	Mitsubishi car code LRQHLVVT-LNMHLVVT (Imported car)	Petrol pumps error.	Mitsubishi Motors Vietnam Co., Ltd.	October 1, 2019
2	Round swimming float for babies - Product code: 8545640	Technical error causing unsafety	Decathlon Vietnam Co., Ltd.	August 26, 2019
3	MacBook Pro 15-inch laptop	Battery error	Apple	June 20, 2019
4	Swimming jackets for children	Technical error causing unsafety	Jetpilot Australia PTY LTD	



## 3. Inspection of violations on consumer protection law

In 2019, VCCA conducted 06 enterprise inspections and 04 enterprise examinations about their execution of consumer protection law, thereby sanctioning three enterprises that violated the consumer protection Law with the amount of penalty of VND 195,000,000



### Inspecting 06 enterprises on their execution of consumer protection law:

- Saigon Thuong Tin Commercial Joint Stock Bank;
- Military Industry - Telecommunications Group (Viettel);
- Vietnam Posts and Telecommunications Group;
- Standard Charter Bank;
- HD Saison Finance Limited Company;
- OCB Bank.

### Examining 04 enterprises on their execution of consumer protection law:

- JSC Bank for Foreign Trade of Vietnam;
- VietJet Aviation Joint Stock Company;
- Toyota Vietnam Finance Limited Company;
- Venesa Company.

## 4. REGISTRATION OF STANDARD FORM CONTRACT AND GENERAL TRANSACTION CONDITIONS



In 2019, VCCA received 254 dossiers for the registration of standard form contract, equivalent to 47% compared to 2018 (540 dossiers); in coordination with the Ministry of Finance evaluated 161 dossiers registering for standard form contract and general transaction conditions in the insurance sector; in accordance with the coordination regulations between the Ministry of Industry and Trade and the Ministry of Finance in approving product and registering for standard form contract and general transaction conditions in life insurance sector.

VCCA processed 242 dossiers and continued to process 12 dossiers. Among the dossiers processed, there were 123 dossiers that got approval which accounts for 51% of the registration dossiers. With the remaining, VCCA sent written responses to the submitting companies in which detailing the results of dossier processing. In addition, some companies requested to withdraw the submitted dossiers by their own decisions.

The Statistics of dossiers for registration of standard form contract and general transaction conditions in 2019 and 2018 by different sectors are as follows:

Year	Apartment	Insurance	Banking	Telecommunication	Carriage	Electricity/ water	Total
2018	151	240	108	32	4	6	541
2019	130	87	Has been removed from the List	34	3	0	254

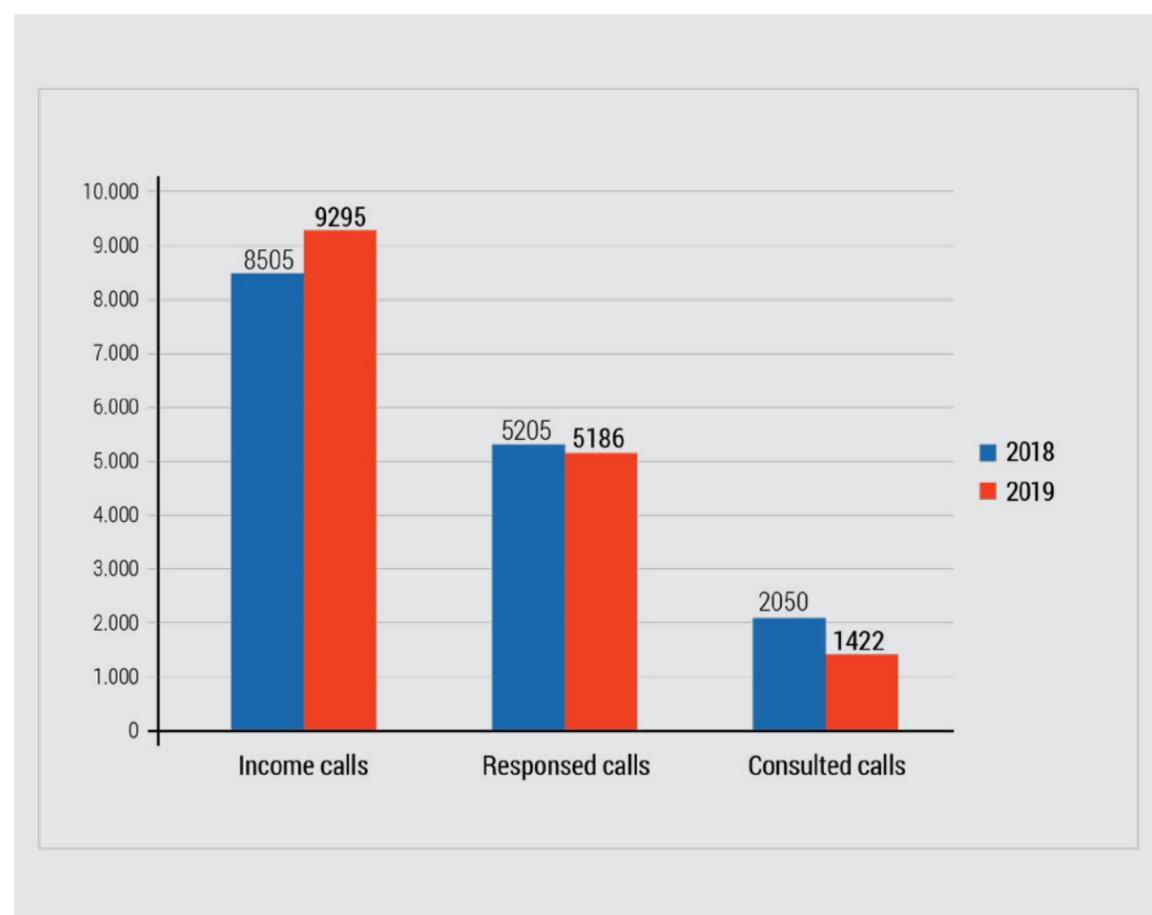
## 5. CONSULTATIONS AND SUPPORT FOR CONSUMERS



By December 31, 2019, the Consumer Support and Consulting Center 1800.6838 operated by VCCA (the Call Center) have received 9,295 incoming calls from consumers, in which the number of answered case is 5,186 calls. The rate of handling the consumers' need for consultancy and support via Call Center is 55.79%. The remaining number of calls has not been answered due to the overload number of calls that came during peak hours; as well as due to the limited number of officials at Call Center.

Among the responded calls, there were 1,422 calls related to disputes between the consumers and organizations and/or individuals trading goods and services in some specific sectors that are detailed in Table 1.

*Chart 1: Statistics of calls being answered, consulted via the Call Center in 2018 and 2019*



*Table 1. Statistics of calls recorded and consulted in numerous industries and sectors via the Call Center 1800.6838*

TT	Hàng hóa, dịch vụ	Số lượng cuộc gọi ghi nhận	Tỷ lệ
1	Finance, Insurance, Banking	310	21,8%
2	Daily consumption goods	167	11,7%
3	Telephones and Telecommunications	165	11,6%
4	Household electronics	158	11,1%
5	Transportation services	81	5,7%
6	Medical, healthcare	67	4,7%
7	Furniture	25	1,8%
8	Fashion, jewelry	17	1,2%
9	Real estate, housing	11	0,8%
10	Office equipment	8	0,6%
11	Education and entertainment	6	0,4%
12	Energy, environment	5	0,3%
13	Travel, restaurants	4	0,3%
14	Computer, internet connection	4	0,3%
15	Others	394	27,7%
<b>Total</b>		<b>1.422</b>	<b>100.00%</b>

Among 14 industries/sectors which often have consumption disputes, the consumer credit services in the finance, insurance and banking sectors recorded the highest number of consumers' calls, accounting for 21.8% of total calls recorded and consulted by VCCA.



Besides, the Call Center recorded and consulted lots of calls from consumers concerning about the quality, warranty liability; transaction conditions of goods and services in a numbers of specific fields: daily consumption goods (11.7%), telephones/ telecommunications (11.6%), and household electronics (11.1%), transportation services (5.7%), medical, health care services (4.7%), others (27.7%) of total calls recorded and consulted via the Call Center.

Although the number of incoming calls to Call Center in 2019

increased by 9% compared to 2018, in fact, the number of calls related to consumer protection decreased by 31%. The reason is that some suppliers avoided their responsibilities in handling customers complaints by transferring the responsibility to answer customers to the Call Center 1800.6838. As a result, many consumers mistakenly consider VCCA Call Center 1800.6838 is the seller's call center, and give some requests beyond VCCA's functions and advisory competence, such

as block coming call from exact phone number or provide specific information on prices and technical information.





## OTHER SUPPORTING

# ACTIVITIES

- ADVOCAY
- FREE TRADE AGREEMENTS (FTAs)
- NETWORK OF RELEVANT ORGANIZATIONS ON CONSUMER PROTECTION
- INTERNATIONAL COOPERATION
- RESEARCH

---

Enhance advocacy activities on competition and consumer protection;

Effectively implement international cooperation activities, improving enforcement capacities of competition and consumer protection laws and policies;

Participate in negotiation and implement commitments on the Chapter of competition and consumer protection in Free Trade Agreements;

Develop a network of relevant organizations on competition and consumer protection;

Actively do researches on competition and consumer protection.



## 1. EDUCATION AND ADVOCACY

In order to enhance the advocacy activities, raising awareness of relevant stakeholders, VCCA has collaborated with other agencies to deliver advocacy activities in forms of organizing conferences, seminars, training courses, workshops to disseminate laws and regulations on competition, consumer protection and management over multi-level marketing across the country.

### 1.1. Regarding competition

In 2019, the training and dissemination activities of competition law mainly focused on raising awareness and disseminating provisions of the Competition Law No. 23/2018/QH14 and legal documents guiding the implementation of the Law for related stakeholders, including enterprises, associations, relevant state management agencies, representative offices, law firms and the universities/ colleagues which have competition law courses, in order to increase the awareness of business and consumer community about newly amended and supplemented contents of Competition Law 2018. Besides, VCCA organized some training courses on analytical and investigation skills of competition cases for VCCA's officials/staffs and other relevant agencies' representatives. These educational and

advocacy activities shall play as a prerequisite for the effective enforcement of the Competition Law, specifically:

- *Compile and send to the Ministry of Justice the introduction and dissemination of the Competition Law 2018 documents/materials to use as official material at all seminar and, conferences on competition legislations.*
- *Developing other advocacy and dissemination materials such as brochures, Q&A books, handbooks, leaflets and others of competition legislations for advocacy activities to community of enterprises and consumers as well as concerned individuals and organizations.*
- *Organizing advocacy conferences and seminars on competition legislations in three regions of Vietnam with over 1,500 participants representing for enterprises and business associations, universities and other interested agencies and organizations.*
- *In coordination with provincial agencies such as Ha Noi, Nam Dinh, Ninh Binh, Hoa Binh, Hai Phong, Hung Yen, Ho Chi Minh, Khanh Hoa... to conduct advocacy activities on competition legislations for various participants coming from local enterprises, business associations organizations or individuals.*

### 1.2. Regarding consumer protection

#### a) Organizing activities to advocate the Vietnam Consumer Rights Day

Implementing the Plan No. 9266/KH-BCT dated November 14, 2019 of the Ministry of Industry and Trade on organizing advocacy activities to advocate the Vietnam Consumer Rights Day 2019, in March 2019, VCCA has carried out the following activities:

- Organizing the Launching Ceremony of Vietnam Consumer Rights Day 2019 in Can Tho city with the participants of leaders from Ministry of Industry and Trade, leaders of Can Tho City People's Committee, representatives of provincial agencies, departments (Departments of Industry and Trade) and consumer protection associations, businesses, consumers and the media.



*Vice Minister of Industry and Trade Ministry H.E. Tran Quoc Khanh giving opening speech at the Launching Ceremony of Vietnam Consumer Rights Day 2019*

- Together with the Launching Ceremony, the Ministry of Industry and Trade hosted 06 workshops in Can Tho, Ba Ria-Vung Tau, Dak Nong, Nghe An, Cao Bang, and Hai Duong. In addition, the Ministry of Industry and Trade also in coordinated with some relevant agencies to organize some training courses in Hanoi, Hai Phong and Bac Ninh.

- Announcing the theme of the Vietnam Consumer Rights Day 2019: "Fair business doing - Sustainable consumption".

- Urging and coordinating with relevant organizations to implement numerous educational and advocacy activities on Vietnam Consumer Rights Day.

- On July 1, 2019, the Ministry of Industry and Trade issued official letter No. 4681/BCT-CT reporting to

the Prime Minister about the organizations and implementation of celebration activities of Vietnam Consumer Rights Day 2019.

- Based on provincial reports, there were 50 provinces implementing activities to celebrate the Vietnam Consumer Rights Day. Some have new and creative activities which adapted to the need of consumer protection in practice (such as organizing mobile advocacy programmes in remote areas; providing advocacy activities in languages of ethnic minorities and so on). In addition, Vietnam Consumer Rights Day 2019 also recorded the active and enthusiastic participation of enterprises for example hanging banners and slogans at business locations; implementing promotion programmes, stimulating consumption in March 2019

**b) Organizing conferences/seminars on consumer protection**

In 2019, VCCA by itself and/or coordinated with other relevant agencies to organize 18 workshops, training courses, conferences and seminars nationwide to educate the knowledge and skills in enforcing consumer protection legislations. These are seminars on consumer protection in the field of e-commerce and consumer credit, training courses on consumer protection legislations, talkshow on protecting consumer in the retail sector which were broadcasted on VOV-traffic channel, workshop on the implementation of the ASEAN Consumer Empowerment Index... All were held in some provinces across the country such as Ha Noi, Hai Phong, Ho Chi Minh City, Kien Giang, Son La, Yen Bai, and Dong Thap.



*Vice Minister of Industry and Trade Ministry H.E. Tran Quoc Khanh giving speech at the Conference on Reviewing the Implementation of Law on Protection of Consumers' Rights*



*VCCA's Director General Mr. Nguyen Sinh Nhat Tan giving speech at the Conference on Reviewing the Implementation of the Law on Protection of Consumers' Rights*



*Awarding certificates of merit to agencies and individuals with excellent contribution in consumers' rights protection*



*Talkshow on consumer protection in the retail sector broadcasted on VOV-traffic channel*

## 2. INTERNATIONAL COOPERATION

### 2.1. Cooperation in ASEAN and ASEAN + frameworks

As a member of the ASEAN Experts Group on Competition (AEGC) and ASEAN Committee on Consumer Protection (ACCP) in 2019:

- i. *VCCA has fully participated and actively contributed ideas/opinions at the AEGC and ACCP annual meetings (the 23rd and 24th AEGC Meetings in Malaysia; the 19th ACCP Meeting in Thailand) and other events on competition and consumer protection in the cooperation framework of ASEAN as well as between ASEAN and development partners such as Australia, New Zealand, EU, Japan,...*



*Competition Retreat for leaders of competition agencies organized in Australia (ASEAN-Australia-New Zealand cooperation framework on competition)*



*Training course on competition in Philippines (ASEAN-Australia-New Zealand cooperation framework on competition)*

- ii. *VCCA successfully hosted the 20th Meeting of ASEAN Consumer Protection Committee (the 20th ACCP Meeting) and related meetings taken place in Ha Noi, Vietnam from November 25- 28, 2019.*



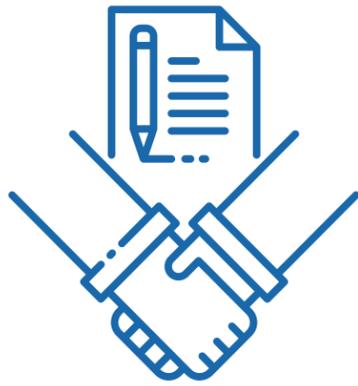
*The 20th ACCP Meeting and related meetings in Ha Noi from November 25-28, 2019*



At the ACCP Meeting, representatives from ASEAN Member States updated recent consumer protection affairs, discussed the national and regional emerging consumer protection issues and solutions as well as built up plan in the upcoming time. The event remarked Viet Nam successful chairmanship, contributing to Vietnam's ASEAN chairmanship 2020 and Chairman of ASEAN Expert Group on Competition (AEGC).

Besides, VCCA took lead in building two ASEAN deliverables on competition and participated in developing 01 report on consumer protection, specifically:

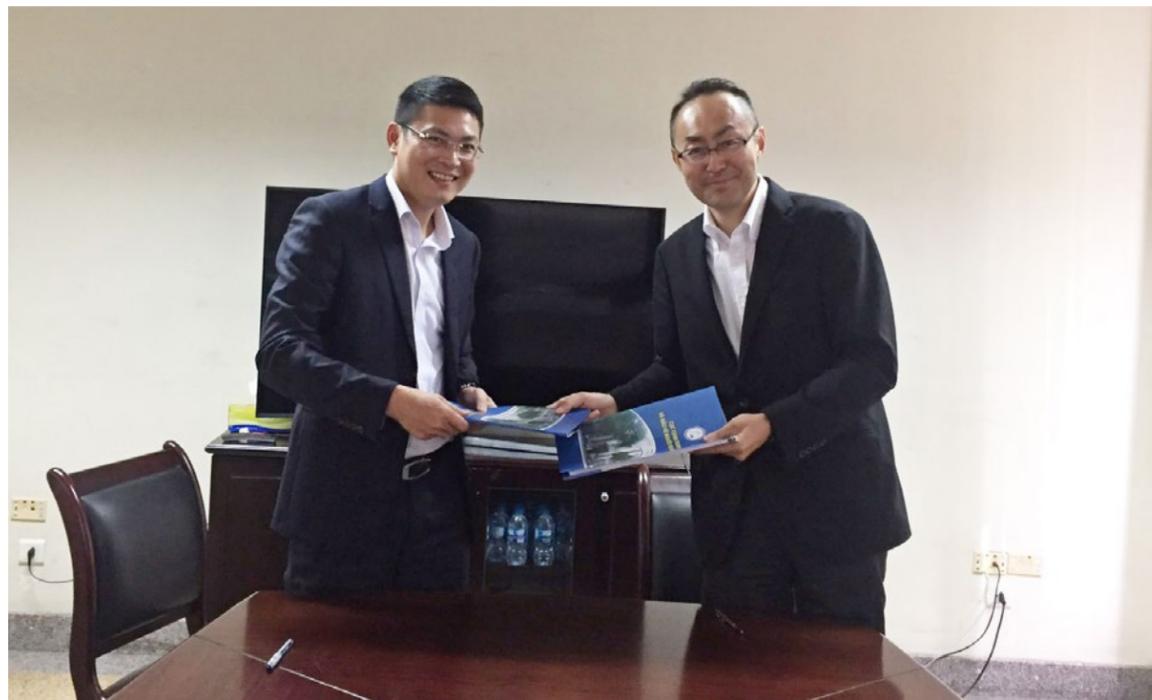
- i. *Report on similarities and differences in competition laws among ASEAN countries;*
- ii. *Competition Enforcement Strategy Toolkit for ASEAN Competition Agencies;*
- iii. *Report on ASEAN Consumer Empowerment Index (ACEI) presented at the 20th ACCP Meeting was the basis for ACCP to build up advocacy and dissemination activities in the coming time.*



## 2.2. Bilateral cooperation

To strengthen enforcement capacity in the field of competition and consumer protection laws, especially in investigating and handling competition and consumer protection cases, VCCA regularly remains cooperation with regional and international competition/consumer agencies through technical assistance projects, exchanging information, sharing experiences, providing consultation on competition and consumer protection law enforcement, including:

- Collaborating with the Japan Fair Trade Commission (JFTC) and the Japan International Cooperation Agency (JICA) to implement the Project “Enhancing the effectiveness of building and enforcing the Competition law in Vietnam”;



- Conducting a study visit to exchange experiences in building competition authority and enforcing competition legislations model from competition agencies of Germany, Netherlands and Australia;



- Appointing officials to participate in a long-term internship course (03 months) at the Australian Competition and Consumer Protection Commission (ACCC);



- Inviting competition experts of US Federal Trade Commission (USFTC) to give lectures at the training course on "Competition Law Enforcement Skills" in Quang Ninh (from August 9-11, 2019).



*Training course on Competition Law Enforcement skills on August 8-11, 2019 in Quang Ninh*

**2.3. Network of relevant organizations on competition and consumer protection.**



In order to enhance experience in developing and enforcing the laws of competition and consumer protection, VCCA has strengthened cooperation with organizations on competition and consumer protection by participating and sharing contributions at conferences/workshops hosted by International Competition Network (ICN), the International Consumer Protection and Enforcement Network (ICPEN), the Competition Policy and Law Group APEC (CPLG), United Nations Conference on Trade and Development (UNCTAD), Organization for Economic Cooperation and Development (OECD)...



**OECD KPC Competition Law Workshop  
– Competition Rules in the Transport Sector –**

- Topic: Competition Rules in the Transport Sector
- Date: 26-28 March 2019
- Venue: Busan, Korea
- Sessions
  - Ride Hailing
  - Cartels in Maritime Sector
  - Alliances and Block Exemptions
  - Competition Advocacy



*Competition Law Workshop-OECD-Korea Competition Policy Center*





## DIRECTION

# IN 2020

- LEGISLATION DEVELOPMENT
- STATE MANAGEMENT ON MULTI-LEVEL MARKETING ACTIVITIES
- ENFORCEMENT OF LEGISLATIONS ON CONSUMER PROTECTION
- ENFORCEMENT OF COMPETITION LAW
- OTHER SUPPORTING ACTIVITIES

Continue to develop and finalize draft legal documents on competition and consumer protection to submit to competent authorities for approval and issuance;  
Strengthen the investigation and handle of competition restriction acts, unfair competition practices and the control of economic concentration activities;  
Continue to effectively implement the state management over multi-level marketing activities;  
Strengthen the protection of consumer rights and control of standard form contract and general transaction conditions;  
Effectively conduct advocacy activities, disseminating information about competition, consumer protection and implement other support activities.

## 1. LEGISLATION DEVELOPMENT

- Finalizing and asked the Government for approval 02 decrees guiding the Competition Law 2018 (i) The Decree on detailed regulations for some articles of the Competition Law 2018; (ii) The Decree regulating the functions, tasks, powers and organizational structure of the National Competition Commission.
- Finalizing the draft Resolution of the Government issuing the Action Program to implement the Directive No. 30-CT/TW of the Central Committee Communist Party's Secretariat.
- Developing the Circular amending and supplementing Circular No. 10/2018/TT-BCT of the Ministry of Industry and Trade dated May 24, 2018 detailing a number of articles of Decree No. 40/2018/ND-CP dated 12 March 2018 of the Government on the management of multi-level sales activities and Circular No. 10/2013/TT-BCT dated May 30, 2013 of the Ministry of Industry and Trade promulgating the form for registering standard form contract, general transaction conditions in which changing the names "Vietnam Competition and Consumer Authority" and "Vietnam Competition Authority" into National Competition Commission.



## 2. ENFORCEMENT OF COMPETITION LAW

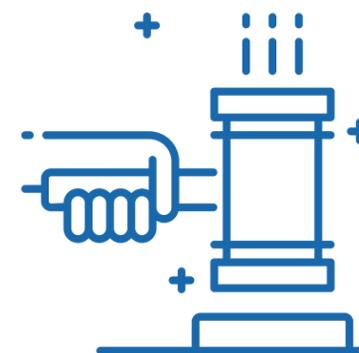
### 2.1. Investigation and handle of competition restriction acts

The Competition Law 2018 came into effect since July 1, 2019 with many new and amended contents motivating both competition authority and enterprises to implement and realize provisions of the Competition Law. This makes the detecting signs of violations of regulations on controlling competition restriction behaviors easier, including both anti-competitive agreements and acts of abuse of market power (dominant and monopoly position). The provisions on controlling anti-competitive agreements under the Competition law 2018 ensure that all competition restriction agreements, including both vertical and horizontal agreements would be controlled properly. The application of leniency policy will motivate enterprises to report the competition authority about anti-competitive agreements. The new regulations on significant market power shall serve as a basis for identifying businesses with market power that is con-

sidered to be more in line with the volatility of the economy. Those factors will help to enhance the ability to detect, investigate, and handle competition restriction behaviors, thus it is expected that the number of competition restriction cases being detected and investigated will be increased in 2020.

### 2.2. Investigation and settlement of unfair competition acts

Actively conducting investigation and handling of unfair competition behaviors after completing the restructuring of organizational structure of the National Competition Commission.



### 2.3. Control of economic concentration

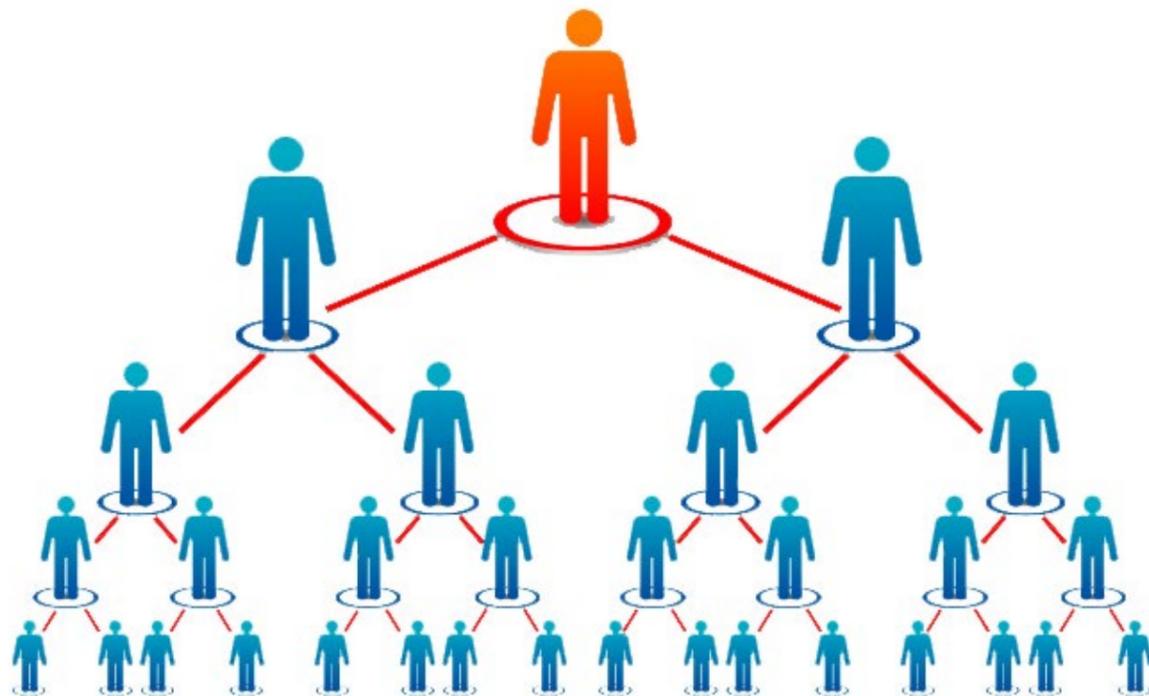
- Continuing to supervise and review the economic concentration activities of enterprises in the market.
- Appraising economic concentration notification in accordance with the Competition Law 2018.
- Investigating economic concentration cases that violate the regulations on economic concentration under the Competition Law 2018 (if any).
- Completing the procedures of receiving and appraising economic concentration notification in accordance with the Competition Law 2018 and the Decrees on detailed regulations for some articles of the Competition Law 2018.
- Continuing to update the database of the market, enterprises serving the control of economic concentration in accordance with competition legislations.
- Building a database of sales and assets of 20 industries/sectors which serves for the control of economic concentration.
- Developing and promulgating the procedures of controlling economic concentration: the procedures of preliminary assessment of economic concentration notification dossiers, the procedures of official assessment of economic concentration notification dossiers; building an internal procedures of controlling economic concentration activities on the market and so on.

### 3. STATE MANAGEMENT ON MULTI-LEVEL MARKETING ACTIVITIES

- Synthesizing the difficulties and problems during the implementation of Decree No. 40/2018/ND-CP, based on that proposing the Ministry of Industry and Trade's leaders to report the Government; registering to develop the Decree amending and supplementing the Decree 40/2018/ND-CP in case of necessity.

- Continuing to effectively implement the management of multi-level marketing activities, in which focusing on some main activities, including:

- i. Inspecting enterprises according to the plan issued by the Ministry of Industry and Trade;*
- ii. Promoting advocacy and dissemination activities to raise awareness about multi-level marketing activities in general and about regulations on management of multi-level marketing activities in particular;*
- iii. Researching on effective solutions to fight against illegal multi-level sales activities.*



### 4. ENFORCEMENT OF LEGISLATIONS ON CONSUMER PROTECTION

#### 4.1. Protection of consumers' rights

- Implementing the Directive No. 30-CT/TW dated January 22, 2019 of the Central Executive Committee on strengthening the Party's leadership and the State's management responsibility on consumer protection;
- Conducting researches and proposing amendments to the Law on Consumer Protection 2010 and guiding documents of the law;
- Effectively conducting activities to advocate the Vietnam Consumer Rights Day (March 3, 2020);
- Continuing to build mechanisms, policies, and schemes to improve the effectiveness of consumer protection at the Departments of Industry and Trade and Consumer Protection Associations nationwide;
- Promoting advocacy activities to raise awareness of relevant stakeholders about consumer protection, in which focus on activities that provide the connectivity and interaction within the community;
- Doing researches on new sectors, carrying out consumer protection activities that focus on some fields that have significant impact on consumer rights, for example e-commerce, consumer lending...focusing on activities for some specific groups (women, children, the elderly) or consumers in remote areas;
- Encouraging the support and participation of socialized resources including the business community, foreign organizations, associations, and the media in conducting consumer protection activities.



#### 4.2. Control of standard form contract and general transaction conditions

- Continuing to receive and evaluate dossiers for registration of standard form contract and general transaction conditions;
- Actively coordinating with Departments of Industry and Trade at provinces to address consumer requests, complaints;
- Continuing to implement solutions proposed in the Report on supervising the implementation of regulations on standard form contract and general transaction conditions in the apartment sector;
- Completing the Report on supervising the implementation of regulations on standard form contract and general transaction conditions in the e-commerce sector;
- Conducting inspection, examination activities as the plan assigned by the Ministry of Industry and Trade.

## 5. OTHER SUPPORTING ACTIVITIES

### 5.1. Advocacy and dissemination

#### a) Regarding competition

- Continuing to conduct advocacy activities to disseminate the provisions of the Competition Law 2018 and legal documents that detail and provide guidance for the implementation of the Competition Law in accordance with the Decision No. 1227/QĐ-TTg dated September 24, 2018 of the Prime Minister promulgating a plan to implement the Competition Law 2018;

- Organizing training courses on competition investigation skills as well as internal training courses with specific topics for competition investigators/officials/staffs of VCCA to enhance their competition law enforcement capacities;
- Developing advocacy materials of competition legislations;
- Organizing seminars, talkshows on competition which focus on a number of specific types of behaviors or sectors.

#### b) Regarding multi-level marketing management

In 2020, VCCA aims to coordinate with specialized units and relevant organizations, individuals to organize training courses and advocacy activities disseminating regulations on management of multi-level marketing activities, details as follows:

- Organizing biannual and annual meetings to evaluate the management of multi-level marketing activities nationwide of the year 2020;
- Continuing to organize training courses on legal

knowledge of multi-level marketing under the training program approved by the Ministry of Industry and Trade for individuals at their request;

- Managing and regularly updating the database of multi-level sales businesses; categories of goods; businesses operation and violations of multi-level sales enterprises which serve as input to facilitate the state management over multi-level sales activities and at the same time to provide sufficient information about reality of multi-level sales activities in Vietnam to relevant agencies, units, organizations and individuals.

#### c) Regarding consumer protection

In 2020, VCCA plans to coordinate with specialized units and relevant organizations, individuals to organize training courses, advocacy seminars on provisions of consumer protection law and policies, details as follows:

- Organizing activities to celebrate the Vietnam Consumers Rights Day ;
- Continuing to organize conferences, seminars, workshops to raise awareness and educate knowledge of legislations on consumer protection that target at some specific topics, sectors, fields that are of interest of social and consumers;

- Continuing to organize training courses on skills of handling consumer complaints and controlling standard form contract and general transaction conditions for representatives of departments (Department of Industry and Trade) and Consumer Protection Associations nationwide;

- Operating and managing the database for consumer protection and control of standard form contract, general transaction conditions through VCCA's website and Call Center; regularly uploading news (both local and international news) on consumer protection, providing warnings to consumers in the purchase and sale of certain types of goods and services...

### 5.2. International cooperation



Undertaking the Chairman role of the ASEAN Expert Group on Competition (AEGC Group) in the year of Vietnamese Chairmanship ASEAN 2020, VCCA will:

- Chair the 25th and 26th annual Meetings of AEGC in Ha Noi and Ho Chi Minh City respectively;
- Orient and coordinate the implementation of cooperation activities on competition and consumer protection within the framework of ASEAN and ASEAN cooperation with development partners;
- Actively participate in cooperation activities on consumer protection at both regional and international levels.

### 5.3 Consultation and information



- Completing and officially launching the new website of VCCA; maintaining and developing VCCA's database on consumer protection, control of standard form contract and general transaction conditions and management of multi-level sales activities;

- Operating the Call Center to consult and support consumers at the VCCA and in 36 provinces nationwide under the above-mentioned Project.



MINISTRY OF INDUSTRY AND TRADE  
VIETNAM COMPETITION AND CONSUMER AUTHORITY

---

 No.25 - Ngo Quyen Street - Hoan Kiem District - Hanoi

 +84.24-222 050 02

 +84.24-222 050 03

 1800 6838

 [www.vcca.gov.vn](http://www.vcca.gov.vn)

 [vcca@moit.gov.vn](mailto:vcca@moit.gov.vn)