



**Asia-Pacific  
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## **Experience Sharing - Developing Online Dispute Resolution in Viet Nam: Opportunities and Challenges**

Submitted by: Viet Nam



**Stocktake Workshop on the Strengthening  
Economic Legal Infrastructure Online Dispute  
Resolution Work Plan  
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# Developing Online Dispute Resolution in Viet Nam: Opportunities and Challenges

# Outlines

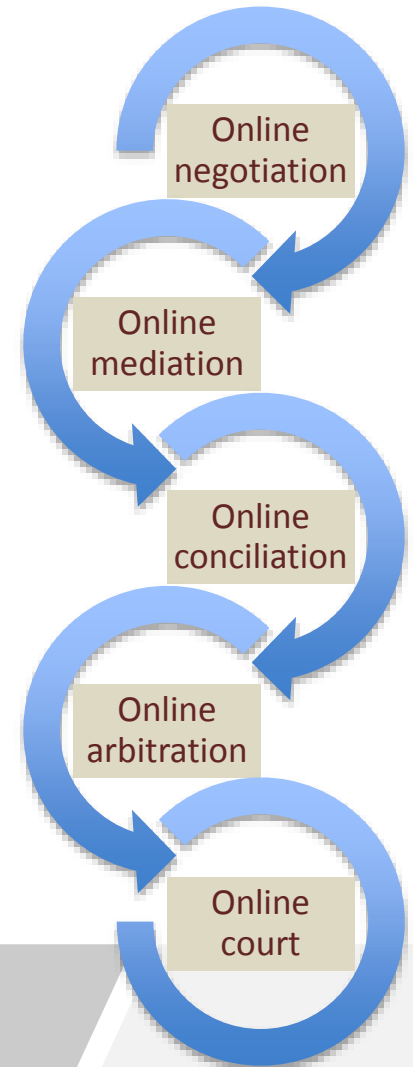
- 1. The Industrial Revolution 4.0 and opportunities to develop ODR in Viet Nam
- 2. Readiness of Viet Nam for developing ODR
- 3. Some challenges in developing ODR in Viet Nam
- 4. Some recommendations

uses technology to facilitate the resolution of disputes between parties

it is often seen as being the online equivalent of Alternative Dispute Resolution (ADR)

applying innovative techniques and online technologies to the process of traditional means of dispute resolution

Internet Dispute Resolution (iDR); Electronic Dispute Resolution (eDR); Electronic ADR (eADR); Online ADR (oADR)



## ODR in Industrial Revolution 4.0

Flexibility, explicitness,  
information control,  
international nature and cost-  
saving in settling disputes

Giving the confidence to  
traders and customers

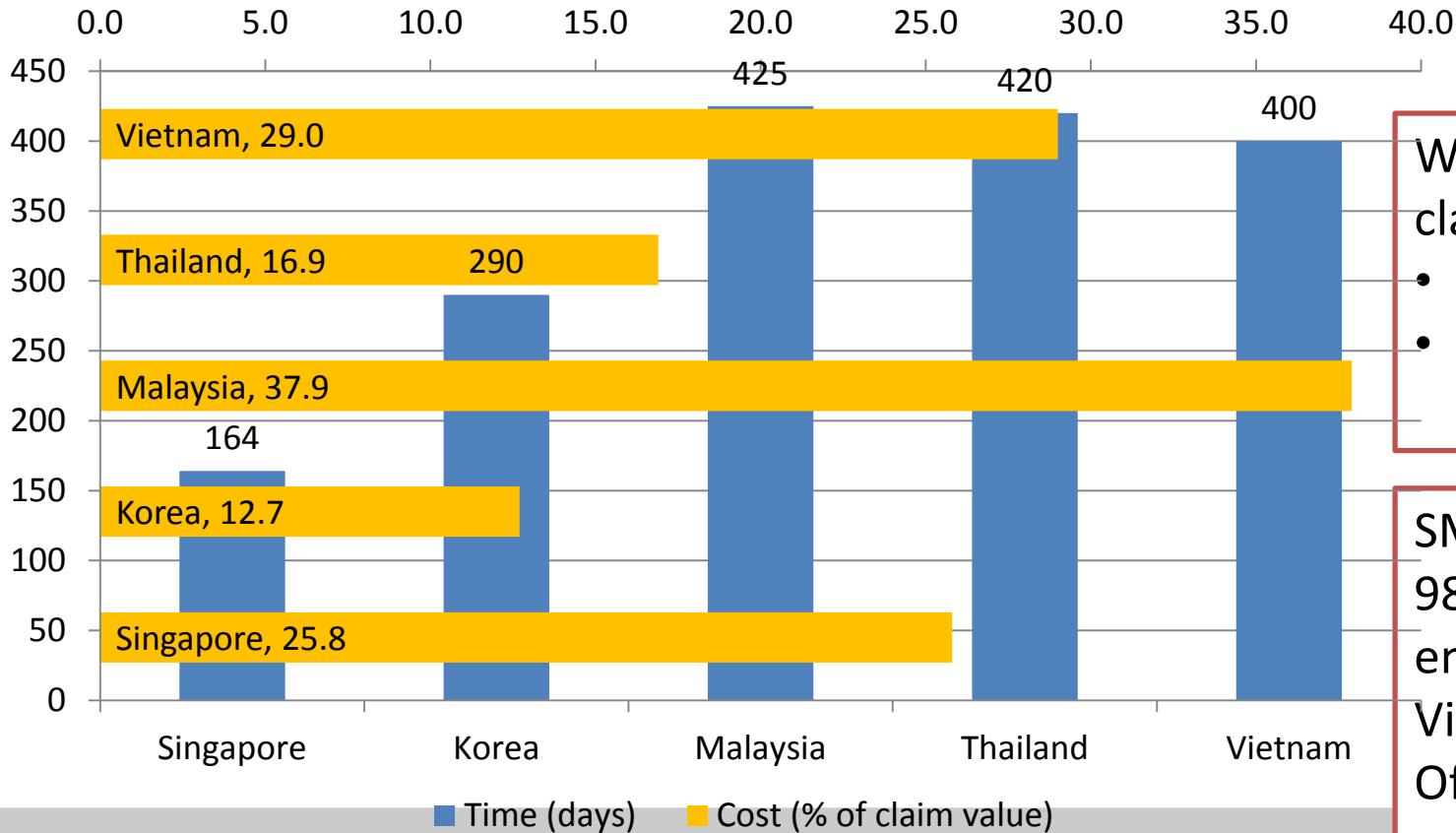
Benefit of ODR

Vietnam's court system could  
be less burdened.

Be efficient mean of dispute  
resolution, especially in e-  
commerce

**Benefit of ODR has been recognized in  
Viet Nam**

## Enforcing contracts: Time and Cost



With a small claim

- 400 days
- 29% claim value

SMEs account for 98% of total enterprises in Vietnam.

Of which, 50% are micro enterprises.

**Currently, dispute resolution in Viet Nam is costly and takes long time**

## Blockchain

- According to the survey of the World Economic Forum (WEF), 10% of global GDP will be stored using the technology.
- Smart contractss


## Sharing economy (platform)


## Internet of things


## E-commerce

# IR 4.0 and Opportunities to develop ODR in Viet Nam

# Rapidly e-commerce development in Vietnam: Opportunity for ODR

 2006 The Decree on E-commerce and many other decrees instructing the Law on E-transaction were issued

 2015 a great proportion of the population and enterprises had been participating in online trading

 2017 the growth rate of e-commerce for 2017 is over 25%

Developing Internet and E-commerce in Vietnam is the main reason for increasing the need for using ODR.



# Rapidly e-commerce development in Vietnam: Opportunity for ODR (cont.)

In the field of online retail, the 2017 revenue growth rate has risen by 35%.

The revenue growth speed from delivery service has risen from 62% to 200%

In the field of payment, the number of online transactions with domestic cards in 2017 has risen by 50% with respect to 2016, while the transaction value rises by up to 75%

In the field of online marketing, some affiliate marketing companies have growth rates ranging from 100% to 200% in 2017

In the field of tourism, in 2016 bookings through Online Travel Agencies (OTA) take 20% of booking revenue. This proportion continues to grow robustly and is expected to reach a level of over 30%; accordingly the online tourism revenue growth will reach 50%.

The number of cumulative national top level domain “.vn” by October 31st, 2017 was 422,601, which means a 10.5% increase compared to the same period of 2016.

The growth rate of cumulative generic top level domains (gTLD) for 2017, compared to 2016, of some international domain registrars ranges from 30% to 60%, much higher than the equivalent rate of the national domain “.vn”.

The growth rate of top level domains (LTD) worldwide is 1.1%.

The proportion of “.vn” domain is 41%, “.com” 48%, and other international domains 11%. The proportion of websites using international domains tends to increase slightly.

**Rapidly e-commerce development in Vietnam: Opportunity for ODR (cont.)**

## ICT infrastructure

- ICT infrastructure in Vietnam such as computers, telecommunications network equipment, telecommunication and internet services have been increasingly invested in and developed. Network providers are preparing the infrastructure to deploy IPv6 in need of serving 4G LTE service. This greatly contributes to the rapid development of services and applications on the Internet, especially for online transactions.
- Almost businesses use computers and laptops; use digital signatures and digital signature certification services (97%).
- 97% website having support online.

**Readiness of Vietnam for developing ODR**

# Readiness of Viet Nam for developing ODR: Legal framework

*There are* 14 related laws and 18 guiding legal documents. Although Viet Nam has no direct regulations on ODR, the current legal documents have formed the basis for developing this method in the future.

- These laws and documents allow the legal value of electronic data messages as equivalent to the text and specific provisions on electronic signatures.
- Decree No. 52/2013/ND-CP on E-commerce aimed at managing e-commerce activities, and has provisions on dispute settlement.
- The Consumer Protection Act of 2014 provides for the regulation of dispute settlement for all consumers.
- The Civil Procedure Code in 2015 introduced a number of new regulations relating to electronic data and the application of information technology to the process of dispute settlement in courts. Procedures such as filing a petition, issuing, serving and notifying can be made electronically with the aim of building electronic courts.

# Challenges in developing ODR in Viet Nam

***Vietnamese culture:*** Lack of trust in dispute resolution.

The customer does not want to be part of direct participation in any dispute resolution, because they do not trust it.

***The not-ready-willing of Vietnamese enterprises reduces the need to adopt ODR.*** The reasons here are not only the lack of technical infrastructure but also the lack of technical staff support for activities in ODR.

There are many companies in Viet Nam who now have online complaint system based on supporting online system or receiving email complaints, but those ODR systems just is a connecting tool to help company receive the complaint, and is not the autonomous dispute resolution system.

## Challenges in developing ODR in Viet Nam (cont.)

***Language barriers when applying ODR for international transactions.*** The number of e-commerce sites providing completed and updated information in Vietnamese and English are in the minority in Viet Nam, which creates a lot of difficulties for the partner not speaking Vietnamese. By contrast, many websites in the world are only in English and their native languages, which will impede Vietnamese consumers' use of the ODR they provide.

***Knowledge and skills in ICT is a barrier.*** The fact that not many Vietnam customers who use online shopping know much about ICT, will be a difficulty if they want to use the ODR.

***Lack of legal documents directly for ODR development.***

# Some recommendations for developing ODR in Viet Nam

Developing legal framework for ODR; and encouraging parties to use ODR.

Raising awareness of ODR for all stakeholders.

Businesses need to identify the role of ODR in their business activities; and regard ODR as part of providing products and services.

When applying ODR to its business operations, the business can start from small value dispute cases to build trust for their partners and customers.

Commercial Arbitration Centres should actively apply ODR; building Code of Conduct in ODR.

Upgrading ICT infrastructure.

**Thank you!**

