

INTRODUCTORY PROPOSAL FOR DATA TRADING PLATFORM UNDER DRAFT DATA LAW

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To attain the goals of Digital Government, Digital Economy, and Digital Society, the synchronous development of data systems has become a priority in the current period. In February 2024, the Prime Minister approved the National Data Strategy until 2030, which aims to complete the pilot and testing of 05 data trading platforms nationwide. In line with this strategy, the Ministry of Public Security has proposed the Data Law draft which specifies the establishment and operation of the data trading platform in Vietnam.

Data trading platform is defined as an online exchange platform that creates a data trading environment with supervision to ensure safety and compliance and develops data services such as data aggregation, analysis, and labeling.

The main function of the data trading platform is to trade, exchange, purchase, sell, and provide products and services related to data in a suitable, accurate, and lawful manners to clients.

Limited data trading platform service providers

The subjects eligible for providing data trading platform services are state-owned enterprises or public non-business units that meet the conditions for providing services and are licensed by the Ministry of Public Security.

The people in charge, legal representatives of the service providers must be Vietnamese citizens and permanently reside in Vietnam. However, the personnel requirement in question is whether a company has more than one legal representative, must they be Vietnamese citizens altogether?

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Other conditions on facilities, technical equipment, organizational rules, and security and order plan, disaster recovery, and fire fighting and prevention plan shall be elaborated by the Government.

Regarding the operation, before conducting data trading, the draft law obliges the platform to check and evaluate requirements, legality, and satisfaction of requirements for the entry into transactions and security and safety of the data usage, particularly based on the following factors:

- a) Conditions for participating in transactions of related subjects include civil legal capacity of individuals and civil legal capacity of juridical persons;
- b) Legality and compliance with conditions for participating in transactions of data products include source of product creation, subjects, contents, methods, process of product creation; determination of requirements related to restrictions or no restrictions on product circulation;
- c) The ability to meet requirements in ensuring security and safety when using data products includes compliance with technical standards and regulations for data products and receiving, storing, and processing data.

Transaction process

A transaction on the data trading platform is carried out in the following 3 main steps: Initiating a transaction, Executing a transaction query, and Confirming the transaction. However, currently, this process has only been laid down by legislators in a general and directional provision.

An important note in this process is the requirements for data products to be traded, which must be products created from non-personal data sources (*Data is not tied to a specific person or does not help identify a specific person*), or personal data with the consent of the data subject. At the same time, it must not jeopardize national security, defense, or state secrets; and meet the requirements on legality and conditions for participating in product transactions in accordance with the laws.

The Government and Ministries will continue to research and propose additional regulations to clarify issues about this platform and amend contents that are not consistent with the legal system and practical situation in Vietnam before submitting to the National Assembly for its first comments at the 8th session opening in October 2024.