

## iGlobal Law Annual Alert 2023 : Vietnam

Legal Change	Effective Date	Action required
<p><b>Decree on employee representative organizations and collective bargaining</b></p> <p>Under the EU-Vietnam Free Trade Agreement and the Comprehensive and Progressive Agreement on Trans-Pacific Partnership (CPTPP), Vietnam has labor and sustainability obligations requiring that it ratifies all the core International Labor Organization (ILO) conventions. Vietnam has not yet ratified the ILO Convention on Freedom of Association and Collective Bargaining, but this is anticipated to take place in 2023.</p> <p>In preparation for this, in the latest version of the Labor Code, which came into effect in 2021, Vietnam has recognized trade unions independent from the Vietnam General Confederation of Labor (VGCL), which had previously been the only recognized trade union system in Vietnam. However, the new Labor Code does not provide key details on the formation of these independent trade unions and how they will work with VGCL trade unions within the same enterprise. A decree setting out these details was expected to be issued in early 2022, but is now likely to be released in 2023.</p> <p>Once this decree is issued, it will be possible for independent trade unions to form, and for there to be multiple trade unions within one enterprise, which would require employers to consult with multiple trade unions on key management steps and collectively bargain with more than one union. These changes may significantly add to the administrative burden of managing the workforce in Vietnam.</p>	<p>Expected to be issued in 2023</p>	<p>Employers should monitor the latest legal developments, and ensure that their HR personnel understand the new regulations once they are issued.</p> <p>Employers should also ensure open lines of communication with employees, so that if employees form multiple trade unions, positive and productive relationships can be maintained.</p>
<p><b>Decree on personal data protection</b></p> <p>Vietnam has issued a much-discussed draft decree on personal data protection that would impose significant obligations on data processors, the definition of which includes employers.</p> <p>Under the draft decree, employers are required to obtain a special permit to process “sensitive personal information” of their employees, which would include things routinely collected by employers in the recruitment and onboarding process such as an individual’s financial and health information and criminal record.</p> <p>A special permit would also be required for a cross-border transfer of personal information. Additional</p>	<p>Expected to be issued in 2023</p>	<p>Employers should set aside a budget to cover the costs and additional personnel necessary to implement the obligations under the new decree.</p>

security measures would also have to be implemented by employers to protect employees' personal data.

If this decree is passed in its current form, employers will face significant administrative burdens in managing their employees' personal data.