



# LEGAL NEWSLETTER

## APRIL 2025

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## Regulations on the application of temporary exit restrictions in Decree No. 49/2025/ND-CP

Decree No. 49/2025/ND-CP ("**Decree 49**") was issued by the Government and effective from February 28, 2025. Decree 49 aims to enhance tax administration efficiency and ensure the accurate and complete collection of taxes for the state budget. It also seeks to prevent individuals and organizations with outstanding tax obligations from leaving Vietnam, thereby avoiding difficulties in tax debt recovery.

### 1. Scope of regulation

Decree 49 regulates two main provisions:

Thresholds for tax debt amounts and debt periods that result in temporary exit restriction; and

Methods of notification to taxpayers regarding the application and cancellation of temporary exit restriction.



## Regulations on the application of temporary exit restrictions in Decree No. 49/2025/ND-CP

### 2. Subjects and thresholds for temporary exit restrictions

Article 124 of the Tax Administration Law 2019, Articles 2, 3, and 4 of Decree 49 specify the following cases for temporary exit restrictions:

#### 2.1. Subjects of enforced administrative decisions on tax administration

- (i) Taxpayers with tax debts overdue by more than 90 days from the statutory payment deadline.
- (ii) Taxpayers with tax debts after the extended payment deadline has expired.
- (iii) Taxpayers with tax debts who disperse assets or abscond.
- (iv) Taxpayers who fail to comply with administrative penalties for tax violations within the deadline specified in the penalty decision, except when granted a postponement or suspension of the penalty decision.

#### 2.2. Subjects and conditions for temporary entry/exit restrictions

- (i) Individual business owners and household business owners subject to enforced administrative decisions on tax administration as per points (i) - (iv) of section 2.1 above may face temporary exit restrictions if their tax debt amounts to 50 million VND or more and has been overdue for more than 120 days.
- (ii) For taxpayers being enterprises, cooperatives, or cooperative unions subject to enforced administrative decisions on tax administration as per points (i) - (iv) of section 2.1 above, their legal representatives may face temporary exit restrictions if the tax debt amounts to 500 million VND or more and has been overdue for more than 120 days.
- (iii) For taxpayers no longer operating at their registered address, the taxpayer or their legal representative may face temporary exit restrictions if they have overdue tax debt and fail to fulfill their tax obligations within 30 days from the tax authority's notification of impending exit restrictions.  
  
Taxpayers in this case include: Individual businesses; Household businesses; Enterprises; Cooperatives; Cooperative unions.
- (iv) Vietnamese citizens leaving for permanent residence abroad, Vietnamese residing abroad, and foreigners departing Vietnam may face temporary exit restrictions if they have overdue tax debt and have not fulfilled their tax obligations, regardless of the debt amount or duration.

## Regulations on the application of temporary exit restrictions in Decree No. 49/2025/ND-CP

### 3. Notification of temporary exit restrictions and their cancellation

#### 3.1. Notification of temporary exit restrictions

For subjects facing temporary exit restrictions under points (i), (ii), (iv) of section 2.2 above, the tax authority will send electronic notifications through the taxpayer's electronic tax transaction account regarding the impending exit restriction. If electronic delivery is not possible, the notice will be posted on the tax authority's website.

For subjects facing temporary exit restrictions under point (iii) of section 2.2, the direct tax management authority will post a notice on their website about the impending exit restriction immediately after issuing the notification that the taxpayer is not operating at their registered address.

#### 3.2. Period for tax obligation fulfillment

After 30 days from the date of sending the notification about impending exit restrictions, if the taxpayer has not fulfilled their tax obligations, the direct tax management authority will issue a document on temporary exit restrictions and send it to the immigration authority for implementation.

#### 3.3. Cancellation of exit restrictions

Within 30 days from sending the exit restriction notice, if the taxpayer fulfills their obligations, the tax authority will immediately issue a cancellation notice and send it to the immigration authority.

The immigration authority will implement the cancellation of entry/exit restrictions within 24 hours of receiving the tax authority's notice.

Decree 49 specifies the threshold for tax debt amounts and debt periods for applying exit restrictions to tax debtors or their legal representatives. Additionally, Decree 49 provides more detailed guidance on exit restriction notifications, facilitating proactive tax administration in accordance with legal requirements and practical conditions.

## Data Law 2024: A New Legal Framework for the Digital Transformation Era

On 30th November 2024, the National Assembly of Vietnam officially promulgated the Law on Data No. 60/2024/QH15 ("**Data Law**") in the 8th session of the 15th National Assembly, which shall take effect on 1 July 2025. This marks a significant milestone in Vietnam's digital transformation, aiming to harmonize data-related regulations across Vietnam. Moreover, the Data Law is expected to lay the groundwork for Vietnam's future, amid ongoing negotiations among ASEAN member states concerning the ASEAN Digital Economy Framework Agreement (DEFA) - the world's first regional Digital Economy Agreement (DEA), which is anticipated to bring sweeping changes in data governance across member nations. TNTP will provide a highlight of key provisions in the Data Law through the bulletin below.

### 1. Scope of Regulation and Application of the Data Law

The Data Law governs fundamental matters concerning digital data, which is defined in Clause 1 Article 3 as data relating to objects, phenomena, and events, comprising one or a combination of audio, visual, numerical, textual, or symbolic forms expressed in digital format.

The Law regulates activities related to digital data, including the creation, development, protection, governance, processing, and utilization of digital data; cross-border data transfers; and the provision of data to state authorities. It also outlines management and operation for new institutions such as the National Data Center, the National Integrated Database, and digital data products and services. The law also sets out the rights, obligations, and responsibilities of agencies, organizations, and individuals involved in digital data activities.



# Data Law 2024: A New Legal Framework for the Digital Transformation Era

## 2. Data Classification

To ensure the effective governance, processing, and protection of data, state agencies are required to classify data in accordance with Clause 1, Article 13 of the Data Law as follows:

**First, based on the nature of data sharing:**

- Shared data: Data that is accessible, shareable, exploitable, and commonly used among the Party agencies, State agencies, the Vietnam Fatherland Front, and socio-political organizations.
- Exclusive data: Data that is accessible, shareable, exploitable, and used internally within the Party agencies, State agencies, the Vietnam Fatherland Front, and socio-political organizations.
- Open data: Data that may be accessed, shared, exploited, and used by any agency, organization, or individual upon request.

**Second, by data importance:**

**Core data:** Data of critical importance with direct impacts on national defense, security, foreign affairs, macroeconomics, social stability, public health, and community safety, as listed by the Prime Minister.

**Important data:** Data that may affect national defense, security, foreign affairs, macroeconomics, social stability, public health, and community safety, also as listed by the Prime Minister.

**Other data:** Refers to data not categorized as important or core data under the Prime Minister's lists.

**Third, by other criteria serving governance, processing, and protection needs as determined by the data controller.**

For non-state data owners and controllers, classification may be based on the importance and other relevant criteria. This classification forms the basis for determining protection levels, access rights, and the regulatory framework for cross-border data transfers.

## Data Law 2024: A New Legal Framework for the Digital Transformation Era

### 3. Cross-Border Data Transfer and Processing

One of the prominent features of the Data Law is its provision permitting agencies, organizations, and individuals to freely transfer data from abroad to Vietnam and process foreign data within Vietnam. Such freedoms are subject to strict legal frameworks to ensure national security, national interests, and the lawful rights and interests of data subjects and data owners.

According to Clause 2, Article 23 of the Data Law, cross-border transfers and processing of important and core data may be carried out through the following methods:

- Transferring data stored in Vietnam to systems located outside Vietnam;
- Vietnamese entities transferring data to foreign organizations or individuals;
- Vietnamese entities using platforms outside Vietnam to process data.

It should be noted that the Data Law requires all cross-border data transfers and processing must ensure national security and defense, public interest, and compliance with Vietnamese laws and international treaties to which Vietnam is a party.

### 4. Provision of Data to State Authorities

Under Article 18, the Data Law mandates the provision of data to competent state authorities. While organizations and individuals—both domestic and foreign—are encouraged to voluntarily share data under their ownership, the Law also allows data to be provided without data subject consent in the following cases:

- Emergency response;
- Security threats below the level of declared emergencies;
- Natural disasters;
- Prevention and combat of riots and terrorism.

This provision is intended to ensure that state authorities have access to essential data in emergency scenarios, thereby enhancing their capacity to address security risks. However, detailed guidance will be necessary in the future to prevent abuse of authority that may infringe upon the data ownership rights of individuals and organizations.



# Data Law 2024: A New Legal Framework for the Digital Transformation Era

## 5. Data-Related Products and Services

The Data Law clearly identifies data-related products and services, including:

**Data intermediaries:** Entities that facilitate data sharing or exchange agreements among data subjects, owners, and users.

**Data analytics and aggregation:** Processes involving the transformation of data into in-depth, useful information at various levels to meet user demands.

**Electronic authentication:** Services aimed at verifying data within national or sectoral databases, ensuring accuracy and transparency in electronic transactions.

**Data exchanges:** Platforms that provide data resources for research, entrepreneurship, innovation, and socio-economic development; these also serve as marketplaces for trading data-related products and services.

Products and services in data intermediation and data analytics may be provided by private organizations. In contrast, services related to electronic authentication and data exchanges must be provided by public service units or state-owned enterprises that meet specific eligibility criteria.



## Data Law 2024: A New Legal Framework for the Digital Transformation Era

### 6. National Integrated Database

This is among the most pivotal components of the Data Law. The national integrated database is a centralized, unified data system developed and managed by the Government at the National Data Center. Currently, the National Data Center is under development pursuant to Resolution No. 175/NQ-CP dated 30 October 2023, of the Government approving the National Data Center Project.

Under Article 35 of the Data Law, the national integrated database is designed to serve various stakeholders:

Party and State agencies, the Vietnam Fatherland Front, and socio-political organizations: Use data for governance, administration, and policymaking consistent with their assigned functions and duties.

Data subjects: Are entitled to access and utilize data reflecting their own information.

Other organizations and individuals: Are permitted to access and use data in the following manners: (i) freely access and use open data; (ii) personal data with consent from the data subject and the National Data Center; (iii) access and use other data with the National Data Center's approval.

This system serves as a centralized data resource for government entities, consolidating national data to enhance data management, exploitation, connectivity, and synchronization. It is expected to reduce administrative costs, minimize procedural overlaps, and foster inter-agency cooperation. Notably, it will improve the quality of public services and simplify administrative procedures through centralized data integration within the National Integrated Database.

The Data Law represents a breakthrough in digital data governance in Vietnam, establishing a unified legal framework, promoting digital transformation, and ensuring data security in the context of a rapidly evolving digital economy. Effective implementation of the Data Law will play a vital role in enhancing national data governance capabilities and fostering international cooperation in the data domain.

## Legal Provisions on the Procedures for Disposal of Mortgaged Property

*The procedures governing the disposal of secured assets, particularly mortgaged property, are provided under the Civil Code 2015 and Decree No. 21/2021/ND-CP detailing the implementation of the Civil Code on security for performance of obligations. In this article, TNTP outlines the specific steps for the disposal of mortgaged property.*

### 1. Step 1: Notification of Disposal of Mortgaged Property for Performance of Obligations

Pursuant to Article 300 of the Civil Code 2015, prior to the disposal of the mortgaged property, the mortgagee is required to provide written notice to the mortgagor and any co-mortgagees within a reasonable period. As current legislation does not specify what constitutes a "reasonable period," it is advisable for the parties to expressly define the notice period for disposal in the mortgage contract.

The principal contents of the notice of disposal of mortgaged property are stipulated in Clause 1, Article 51 of Decree No. 21/2021/ND-CP, including: the reason for disposal of the secured asset; the asset to be disposed of; and the time and place of disposal.

### 2. Step 2: Delivery of Mortgaged Property for Disposal

According to Article 301 of the Civil Code 2015, the person currently holding the mortgaged property is obligated to deliver such property to the mortgagee for disposal upon the occurrence of any event that gives rise to disposal. Should the holder refuse to deliver the property, the mortgagee is entitled to initiate court proceedings for resolution.

Therefore, delivery of the mortgaged property heavily depends on the goodwill of the mortgagor or the holder of the mortgaged property. In the event of non-cooperation, the mortgagee has the right to file a lawsuit requesting the court to resolve the matter under judicial procedures.



## Legal Provisions on the Procedures for Disposal of Mortgaged Property

### 3. Step 3: Payment for Secured Obligations

The proceeds from the disposal of mortgaged property, after deducting expenses for preservation, repossession, and disposal, shall be distributed in accordance with the order of priority stipulated in Article 308 of the Civil Code 2015, as follows:

- i) In cases where the net proceeds exceed the value of the secured obligation, the surplus shall be returned to the mortgagor;
- ii) In cases where the net proceeds are insufficient to the secured obligation, the remaining portion of the obligation shall be treated as an unsecured obligation, unless otherwise agreed by the parties to provide additional security. The mortgagee is entitled to request the obligor to perform the outstanding unsecured obligation.

The mortgage becomes opposable against third parties from the time of registration. Where the mortgaged property secures multiple obligations, the priority order for payment among mortgagees is determined as follows:

- i) If all mortgagees have duly registered the security interest in accordance with the law, priority shall be determined in the order of registration;
- ii) If some mortgagees have duly registered and others have not, or have registered improperly, the duly registered mortgagee shall be given payment priority;
- iii) If none of the mortgagees have duly registered, or if all registrations are improper, the priority order shall be determined based on the order of establishment of the mortgage rights.

The priority order for payment as mentioned above may be modified if the mortgagees agree to alter the priority order among themselves. A mortgagee exercising subrogated rights may only enjoy payment priority within the scope of the secured interest of the party whose rights have been subrogated.

### 4. Step 4: Transfer of Ownership of the Property

Upon the completion of the sale or transfer of the mortgaged property to another party (which may be the mortgagee or a third party), the owner of the property and the party authorized to dispose of it must carry out the procedures as prescribed by law to transfer ownership to the purchaser.

Clear legal provisions regarding the sequence and procedures for the disposal of mortgaged property are expected to facilitate the mortgagee's ability to enforce its rights in accordance with the agreements concluded between the parties and mitigate the risks that may arise in practice.

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 *Dispute Settlement And Debt Collection*