

Special Alert

Indochinecounsel.com | February 2025

Decree 128 on Trade Promotion: Key Takeaways and Compliance Checklist

On 10 October 2024, the Government issued Decree No. 128/2024/ND-CP on amendments to some articles of Decree No. 81/2018/ND-CP (“**Decree 81**”) elaborating the Commercial Law on trade promotion (**Decree 128**), simplifying procedures and requirements for promotional activities. This special alert aims to provide key updates outlined in Decree 128, along with a compliance checklist that consolidates the provisions currently remaining in effect under Decree 81 and regulations newly introduced under Decree 128, for more convenient monitoring and compliance.

Reducing cases of promotional activities subject to notification requirements

In principle, traders are required to notify all provincial Departments of Industry and Trade (the “**DOIT**”) of the locations where the promotion is conducted before conducting the promotional programs. While Decree 81 specifies seven promotional activities subject to notification requirements,¹ Decree 128 streamlines the process by retaining the requirement for DOIT notification for the following two activities:²

- Selling goods or providing services with contest forms to select winners based on announced rules and prizes; and
- Organizing promotional programs for regular customers.

Compliance checklist of promotional activities and respective procedures

¹ Article 17.1, Decree 81.

² Article 1.3(a), Decree 128.

No	Procedures Promotional activities ³	Notification of sales promotion	Registration of sales promotion	Publishing promotion programs results and awarding prizes	Reporting the results of promotion programs
1.	Providing sample goods or offering trial services for customers to try free of charge	N/A	N/A	N/A	N/A
2.	Giving away goods or providing services free of charge	N/A	N/A	N/A	N/A
3.	Selling goods or providing services at a lower price than the previous selling price or service price	N/A	N/A	N/A	N/A
4.	Selling goods or providing services accompanied by vouchers or service usage coupons	N/A	N/A	N/A	N/A
5.	Selling goods or providing services with contest forms for customers to select winners based on announced rules and prizes	X*	N/A	X**	N/A
6.	Selling goods or providing services in conjunction with participation in chance-based programs, where participation is linked to the purchase of goods or services, and winning is based on the luck of the participants according to the announced rules and prizes	N/A	X	X**	X***
7.	Organizing promotional programs for regular customers	X*	N/A	N/A	N/A
8.	Organizing cultural, artistic, entertainment programs, and other events for customers for promotional purposes	N/A	N/A	N/A	N/A
9.	Other forms of promotion if	N/A	X	X**	X***

³ Article 92, the Commercial Law.

No	Procedures Promotional activities ³	Notification of sales promotion	Registration of sales promotion	Publishing promotion programs results and awarding prizes	Reporting the results of promotion programs
	approved by the State commerce management authorities				

N/A *Non-applicable*⁴

X *Applicable*⁵

X* *Applicable except for the following two cases:*⁶

- *Total value of prizes or gifts under VND100 million;*
- *Promotion programs conducted only via e-commerce platforms, e-commerce platform applications, online promotional websites and online promotional applications.*

X** *Applicable. Within 45 days from the expiration date of the promotion program, except in cases of force majeure as stipulated by law.*⁷

X*** *Applicable. Within 45 days from the expiration date of the awarding period of the promotion program. In cases where 50% of the prize value, in the absence of a winner, must be remitted to the State budget, traders are required to remit the amount within 15 working days of receiving the decision from the State management agency regarding the remittance.*⁸

Methods to submit dossiers related to promotional activities

- Submitting via postal service;
- Submitting directly to the competent authorities; or

⁴ Articles 1.3(b), 1.7.(a); 1.7(b), Decree 128; and Articles 19.1, Decree 81.

⁵ Article 19.1, Decree 81.

⁶ Articles 1.3(a), 1.3(b), Decree 128.

⁷ Article 1.7(a), Decree 128.

⁸ Article 1.7(b), Decree 128.

- Submitting online via the National Public Service Portal or the Administrative Procedure Information System of the relevant competent authorities.

Conclusion

Decree 128 took effect on 1 December 2024, representing a significant step toward simplifying the regulatory landscape for promotional activities in Vietnam. By amending several provisions of Decree 81, the new Decree introduces streamlined procedures and clearer requirements, offering businesses with greater flexibility in conducting trade promotions. The key updates highlighted in this Special Alert, along with the accompanying compliance checklist, should assist businesses in navigating the revised regulations with ease. Staying compliant with both the existing and new provisions will be essential for companies looking to maximize the effectiveness of their promotional campaigns while adhering to the updated legal framework.

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