

Vietnam Legal Framework Analysis: Key Highlights

This one-pager aims to provide a brief overview of the most notable features of Vietnam's national cooperative legal framework, based on the work of national legal expert and ICA member input.

The Cooperative Law No. 23/2012/QH13 is the only law that regulates the establishment, organization and operation of cooperatives and cooperative unions of all economic sectors in Vietnam. There are no special laws on different types of cooperatives in Vietnam. The Cooperative Law No. 23/2012/QH13 states seven principles which has similar contents as ICA's cooperative principles.

Main regulations: This table displays a selection of cooperative regulations identified by experts and ICA members.

Regulation	Brief Description
<i>The Cooperative Law No. 23/2012/QH13</i>	<i>Regulates the establishment, organization and operation of cooperatives and cooperative unions of all economic sectors in Vietnam.</i>
<i>Government's Decree No. 193/2013 / ND-CP issued on November 21, 2013</i>	<i>Elaborates on certain articles of the Law on Cooperatives.</i>
<i>Government's Decree No. 107/2017 / ND-CP</i>	<i>Amended and supplemented some of the articles of the Government's Decree No. 193/2013 / ND-CP.</i>

Table 1: Cooperative and related regulations in Vietnam

Cooperative Friendliness: The research has highlighted that Vietnam's cooperative law is certainly not perfect (no legislation is), but it contains several elements that reflect good practices and measures that could be useful in the current context.

Key recommendations for improvement: The definition of cooperatives should include their mention of being operated as an 'enterprise', which is true in practise. The minimum number of members to establish cooperatives should be reduced to 5. Provisions should be made to allow the joining of private enterprises as an official member of a cooperative. A dedicated chapter for the operation of Cooperative Unions and Cooperative Alliances should be added. The legal framework of cooperatives needs to make a mechanism to a build a digital system of cooperatives.

Conclusions: The 2012 Cooperative Law of Vietnam represents a fundamental change in awareness of nature and role in development of cooperatives. The new type of cooperatives under the Cooperative Law of 2012 operates to focus on bringing benefits to members through the commitment to supply and consumption of products, services and jobs according to the needs of cooperatives.

