

Legal aspects of e-commerce cooperation between Eurasian economic union and Vietnam

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Abstract: The paper analyses E-commerce cooperation between Eurasian Economic Union and Vietnam. Economic results or trade between EAEU and Vietnam are analyzed. Main documents and trade aspects between EAEU countries and Vietnam are shown. The legal business actions and responsibility that should be developed are shown. Proposals to develop legislation for further e-commerce extension are given. Special attention should be paid to rapidly growing Artificial Intelligence systems and their regulation at our joint market.

Keywords: E-commerce; Eurasian Union; Vietnam; legal regulation; digital market.

Introduction

In the context of general globalization in the Internet computer network, the economy receives a wide range of new opportunities. Economic activities carried out with the help of the latest information technologies are effective and profitable. The digital transformation of the economy is characterized by the fusion of advanced technologies and the integration of physical and digital systems, the predominance of new business models, new processes, and the creation of intelligent products and services.

The digital economy is growing at a rapid rate of 10% per year, which is more than three times the rate of global economic growth. According to experts, by 2025, about 40-50% of the GDP of the most developed countries will be created within the digital economy, which means that most of the economic and business processes will be carried out through the use of digital tools and platforms.

There are three main components of the digital economy concept:

- supporting infrastructure (hardware and software, telecommunications, networks, etc.);
- e-business (conducting business activities and any other business processes through computer networks);
- e-commerce (selling and distributing goods via Internet).

One of the important components of digital economy is e-commerce. This type of economic activity is actively spread around the world, offering a wide range of goods and services. E-commerce is becoming a tool for bringing together individuals, companies, industries, public authorities and states into a single whole, within which, with the help of information and communication technologies, partners can effectively interact.

One of the types of e-commerce is trading through online stores. This type of business has become especially relevant in the last few years. It does not require the cost of such material

resources as renting or buying a retail space, equipping it with the necessary commercial and technological equipment, and the cost of recruiting a large number of sales and administrative personnel. In addition, trading through an online store allows to respond more flexibly to demand, changing the assortment partially or completely.

In many countries, there is an intensive development of e-commerce and legislation in this area. Let's look at the latest steps in the countries of Eurasian Economic Union and Vietnam in this direction.

The Eurasian Economic Union

The Eurasian Economic Union (EAEU) is an international organization of regional economic integration with international legal personality. The Agreement on the Eurasian Economic Union was signed by the presidents of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation on May 29, 2014. This Agreement came into force on January 1, 2015. The Union membership is open for any state, which shares the goals and principles of the EAEU, on the terms agreed by Member States. The Republic of Armenia became a member of the Union on January 2, 2015, and the Kyrgyz Republic on August 12, 2015 [1]. The Member-States of the Eurasian Economic Union now are the Republic of Armenia, the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic and the Russian Federation.

The EAEU provides for free movement of goods, services, capital and labor, pursues coordinated, harmonized and single policy in the sectors determined by the Treaty and international agreements within the Union. The Eurasian Economic Commission (EEC) is a permanent

regulatory body of the Union. The basic objectives of the EEC are enabling the functioning and development of the Union, as well as developing proposals in the sphere of economic integration.

In general, more than 50 countries demonstrate interest in cooperation with the EAEU in different formats. In 2020, the Republic of Belarus chairs in the EAEU bodies.

Among other tasks and functions, EEC conducts an analysis of the taxation of e-commerce in the EAEU countries and studies the possibility of developing a common supranational regulation of this area. The EEC believes that the countries of the Union need to develop a coordinated tax policy aimed at preventing the concealment and unjustified understatement of taxes by e-business participants. It is also important to reduce tax barriers and create conditions for fair competition in e-commerce between the EAEU countries, including for its promotion and development.

During consultations with representatives of business, the EEC and public authorities of the EAEU States identified the problems and challenges that the Eurasian participants of digital trade face in the domestic market and when entering the markets of third countries [2]:

- problems of a point nature that require harmonization of regulation, reduction of barriers or simplification of administrative procedures;
- systemic problems related to the global competitiveness of systems and processes implemented at the national level in the European Union, with the risk of increasing the flow of added value to third countries in the process of trade.

Relations of the Eurasian Economic Union with Vietnam

The EAEU signed its first ever free-trade area (FTA) agreement with Vietnam on May 29, 2015. The agreement entered into force on October 5, 2016 [3].

The EAEU's trade turnover with Vietnam has grown 40 per cent since the agreement went into force. By 2025, duty-free imports of Vietnamese goods will account for 90 per cent of the EAEU's Common Customs Tariff headings.

Key imports from EAEU are petrol, oil, steel, fertilizers, and machinery. Major Vietnamese exports include phone components, electronic devices, computers, apparel, and footwear. Food exports include fruits, vegetables, coffee, cashew nut, and seafood [4].

The most important provision of the FTA agreement is the provision stipulating mutual abolition of trade duties. According to the document, Vietnamese party will abolish import customs duties not only in respect of 12% of goods (which are not considered by Russia among strategically important) from the range of products exported to the country. According to the agreement, Vietnam will undertake to abolish import customs duties charged on more than 59% of the items exported by the Union Member States immediately. Customs duties charged on another 29% of exported goods will be set to zero within the transitional periods ranging from 5 to 10 years.

The agreement stipulates that Vietnam should open its market for a whole spectrum of goods exported from the Union Member States, including products of the

- agricultural sector: beef, pork and poultry, processed meat products, canned fish, seeds, flour, dairy products, cheese, vegetable oil, feeds for animals, alcoholic products;

- industrial sector: precious stones, tires, asbestos, pipes, rolled iron, ships, mechanical equipment, electronic equipment, parts for cars, steel products, farm machinery, buses, cars, trucks, petroleum products.

The agreement promotes further diversification and intensification of turnover of goods traded in the free trade zone [5].

The analysis of mutual trade of the countries participating in the agreement showed that over the last year the turnover increased by 36%: from 4.3 billion USD in 2016 to 5.9 billion USD in 2017. Not only imports to the EAEU from Vietnam increased by 34.7%, but also exports from the EAEU to Vietnam, by 39.5%. The EAEU exports meat and dairy products, wheat, flour, cereals, alcohol and cigarettes, petroleum products, automobiles, tires, steel pipes, fertilizers. Vietnam offers for export fish, rice, fruits, vegetables, nuts, clothes, sports shoes, leather goods, household manufactured goods, electronic equipment.

Trade and agreements between EAEU countries and Vietnam

The agreement between EAEU and Vietnam was concluded in the FTA+ format, which stipulates both duty-free trade rules and other interaction formats. Simultaneously with this agreement, the bilateral Russia–Vietnam and Belarus–Vietnam intergovernmental protocols on supporting automotive manufacture in Vietnam entered into force. These agreements established a preferential

regime for implementing investment projects for the industrial assembly of Belarusian and Russian automotive equipment in Vietnam.

Since the entry into force of the trade agreement between Vietnam and the Eurasian Economic Union in 2016, the growth rate of trade between Vietnam and the Russian Federation has increased significantly, with an average of 30% per year. Russia accounts for more than 90% of total trade between Vietnam and the EAEU.

In the period from 2015 to 2018, the total turnover between Russia and Vietnam increased by 2221.6 million US Dollars. In 2019, the trade between Russia and Vietnam amounted to 4,919.1 million US Dollars [6]. At the same time, the share of imports significantly exceeded the share of exports and amounted to 77%. According to Russia's Federal Customs Service, in 2020, the two countries' bilateral trade stood at 5.7 billion USD, up 15 percent from 2019 and 50 percent from 2016. Russia's export to Vietnam and Vietnam's export to Russia hit 1.6 and 4 billion USD, increasing 43 and 7 percent on-year, respectively [7].

Kazakhstan significantly increased its exports to Vietnam in 2017–2018 by 39.0 per cent and 3.6 per cent, respectively. Vietnam's exports to Kazakhstan grew six-fold in 2016 before falling by 13.6 per cent in 2017 and then growing by 20 per cent in 2018.

Trade of the Republic of Armenia and Kyrgyz Republic with Vietnam began to develop from scratch and reached significant amounts. Most of all, the turnover between the Republic of Kazakhstan and Vietnam increased – by 48.2%. Principally, this growth was provided by the increase of exports of

Kazakh goods to the Vietnamese market by 63.7%. [8].

At the same time, Vietnam would like to increase its trade with the EAEU. Speaking at the Eastern Economic Forum in September 2019, Deputy Prime Minister of Vietnam, Trinh Dinh Dung, proposed a further reduction of customs barriers in order to improve the opportunities to realize his country's economic potential [9].

In October, 2016 Free Trade Agreement between the member-states of the Eurasian Economic Union and the Socialist Republic of Vietnam and the Belarusian-Vietnamese intergovernmental protocol to assist in the production of motor vehicles on the territory of Vietnam have entered into force. Trade turnover between the Republic of Belarus and the Socialist Republic of Vietnam in million dollars USD was in 2020: export - 95,8, import - 82,9, balance [9].

The main exports of Belarus to Vietnam in recent years are: potash fertilizers; trucks; dump trucks; tractors; tires; milk and dairy products; frozen beef; synthetic threads; polyamides. Main articles of imports of Belarus from Vietnam are: means of communication; computer and office equipment; seafood; rice, nuts; shoes and clothes; natural rubber; tropical fruits; tea, coffee, spices [9].

The signing of the Free Trade Zone agreement contributes to the growth of trade between its participants, and also helps to strengthen trade and economic ties due to the simplified regime of goods turnover. All this becomes a prerequisite for the EAEU to join dynamically developing integration processes on the territory of the Asia-Pacific region. The signing of the agreement affected the growth of

mutual trade and, as a result, contributed to a number of positive effects for business structures [10].

Legal aspects of E-commerce cooperation

We think that it is necessary to prepare new rules in the area of e-commerce, while considering that the understanding of commerce, in the "e" context, has undergone significant changes in recent years because the commercialization of the private sphere of human life will proceed further.

The legal aspects of electronic commerce that need to be regulated when making transactions electronically include the following: security and authentication of transactions; confidentiality; protection of intellectual property rights; customs and taxation; dispute settlement mechanisms; responsibility and consumer protection, etc.

The main purpose of the development of legislative acts in the field of electronic commerce is to recognize the legal and evidentiary value of electronic documents (messages, records, etc.) formed during transactions, as well as the validity of contracts concluded using electronic means.

At the first governmental level, e-government service should be widely developed and used. E-government issues should be fixed in the legislation; basic terms of e-government should be normatively defined [11]. It is very desirable to start special e-government development programs in all fields, including health, education, transport and tourism. It is necessary to build an e-payment infrastructure (including mobile versions) with solutions to restrict cash payments, and support the

development of e-commerce, e-contracts and digital signatures. To build E-government in any country it is necessary to develop an appropriate legislative framework. It should be done by increasing research activity in law and legislation areas.

As concerning e-commerce, we can extract the following main legal directions for its prospective development [12].

The e-commerce sector generally requires separate legislative decisions. It is necessary to introduce the concept of an electronic transaction and the requirements for its content at the level of laws, regulate offers that are created by automatic systems, and regulate the electronic document flow that is used in e-commerce.

The second direction can be considered to stimulate the development of non-cash payments in electronic commerce. This is due to the fact that online stores should be obliged to introduce a non-cash payment mechanism for customers, and in the B2B segment allow legal entities to make payments, bypassing banks and using special payment cards with the ability to choose the payment currency.

We should also mention the protection of consumer rights, as it is necessary to strengthen work in this direction. For example, to establish uniform rules for the return of goods, to develop mechanisms for pre-trial dispute resolution and online arbitration in electronic commerce, to create an Ethical Code in the B2B segment in order for market participants to create a self-regulating organization.

In our opinion, the prospects for the development of e-commerce information technologies are primarily

related to the personalization of the buyer's behavior model in the Internet network (selection of goods and services, text, multimedia objects and site navigation mechanisms), which is achieved by intellectualizing e-commerce Internet technologies based on mathematical methods of decision support.

It is necessary to intellectualize Internet technologies of electronic commerce based on mathematical methods of decision support. In the case of e-commerce, these can be the following functions:

- assessment of the level of requirements of an online buyer;
- adaptation of the content of the website and its navigation system in accordance with this level and the individual characteristics of the buyer.

Using methods of classification and clustering of statistical data (purchases, ratings, visits, etc.) and data from surveys of visitors to online store sites, stereotypical models of shoppers are built.

For each of the stereotypical models, specialized content of Internet pages and the trajectory of movement on the website of the online store are developed. The analysis of the behavior of a new buyer on the website of an online store (viewing specific products, orders made by him, clicks on links) allows us to classify him as one of the stereotypical models and then use this model to adapt various aspects of the website visible to the buyer. As a result, each customer receives the content of Internet pages adapted to their needs and individualized navigation capabilities.

In the buyer's model, the main attention is paid to his requirements for

the product. It is known that these requirements can vary greatly from different buyers. In addition, they can change significantly during the buyer's viewing of the online store's website. This fact must be taken into account in the buyer's model, providing for the possibility of modeling the changing level of requirements.

Another important task to increase E-commerce is the legal support of electronic document circulation (EDC) in the EAEU countries and with their partners [13]. In the EAEU countries there is no unity in the structure and content of the basic national laws on electronic document circulation. There is the discrepancy in the legal norms for the organization of EDC at the basic level, for example, in the discrepancies in the understanding of such concepts as electronic document and electronic signature [13]. In almost all EAEU member states electronic documents are recognized as evidence in court and subject to correct registration are equivalent to paper documents (except in cases where the law does not allow the use of only an electronic document).

We think that it is necessary to converge the national levels of introduction and dissemination of electronic document circulation technologies. To do this, an interstate program for the development of cross-border EDC should be adopted, for example, within the framework of the digital agenda of the EAEU. The implementation of specific activities related to the harmonization of legislation, the formation of standards and ensuring the compatibility of electronic documents created in different countries will create the necessary conditions for the development and dissemination of

cross-border EDC between organizations.

From digital to Artificial Intelligence market

Artificial Intelligence became one of the drivers of the E-Commerce or Digital Market. Its impact on the functioning of the market is so deep that there is no doubt that it is necessary to introduce special legal rules on AI using.

The use and development of artificial intelligence systems can potentially create controversial situations from the point of view of law in many areas, among them are: data privacy; security and responsibility of functioning; intellectual property of created AI systems; legal personality of AI systems; ethical standards for the use of AI systems. At present, there are many paradoxes of the legal regulation of artificial intelligence systems.

The legal rules on AI should therefore counteract – as far as it is possible – the dehumanisation of the approach brought about by technology, which by definition is dehumanised. The legal framework on AI to be included in the Digital Services Act should therefore not limit itself to establishing transparency standards, but it should set up a legal scheme that would ensure that AI functions in a trustworthy, explainable manner, that it not be created on the basis of an in-built (or hereditary) discrimination, and that it is not used as an instrument of manipulation [14].

We consider that legal regulation in the field of AI is not just not keeping up, but is already hopelessly behind technological development today. There is almost no legal regulation of the basics, conditions and features of the development, launch, operation and

activity, integration into other systems and control of the use of artificial intelligence technologies.

The analysis of the development of the regulatory framework in EAEU countries and in the Vietnam shows necessity to develop special rules for regulating AI development and usage and especially in a joint market.

It is necessary to coordinate the development of EAEU and Vietnam legislation in the field of AI in the context of the international legal and philosophical discussion on the social responsibility of AI.

We propose to develop and adopt a special law with a possible title "On the development of artificial intelligence (or robotics)". Special attention in the new law should be paid to the legal and ethical use of AI systems. It is proposed to organize a comprehensive interdisciplinary discussion to ensure the legal regulation of issues related to AI.

Conclusion

During last years, E-commerce became one of the most important ways of international trade and it has a big potential in future. Digital trade agenda is becoming national as well as international for the member states of the EAEU. It becomes the most important factor in the implementation of interstate economic projects.

However, legal rules of E-commerce are not fully developed. The legal aspects of electronic commerce that need to be regulated include such important things as security and authentication of transactions; confidentiality; protection of intellectual property rights; customs and taxation; dispute resolution

mechanisms; responsibility and consumer protection, etc. In our opinion, for more effective implementation of e-commerce technologies in every country it is necessary that business together with government should do the following:

- develop public-private partnership in the field of informatization;
- involve all strata and social groups of the population in the process of informatization, provide the population with digital literacy;
- strengthen trust and security in the use of information and communication technologies;

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- create a full range of national goods in accordance with the international codification system, attract investors' funds to create e-commerce systems;
- actively implement the concepts of "public keys" - legally allow transactions to be concluded in electronic form, without duplicating them on paper;
- bring national standards in the field of electronic payments to international standards.
- The need to improve regulatory legal support increases in proportion to the degree of importance of electronic commerce for the economy of every country.
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