

Data Localization in Vietnam: An Introduction of the 2026 Regulatory Framework

Professor Dr. Pham Duy Nghia
Ton Duc Thang University Vietnam
okphamduynghia@tdtu.edu.vn

Abstract

As Vietnam accelerates its digital transformation, the legal framework governing data sovereignty has undergone a significant overhaul. This paper examines the evolution of data localization requirements from the initial Law on Cybersecurity (2018) and Decree 53/2022/ND-CP to the newly implemented Personal Data Protection Law (PDPL) and the Law on Cybersecurity 2025, effective as of early 2026.

The study analyzes the specific categories of data subject to local storage—including personal information, user-generated logs, and relationship data—and the conditions under which foreign service providers must establish a local branch or representative office. Furthermore, the paper evaluates the practical challenges faced by multinational corporations in aligning global data strategies with Vietnam's "limited model" of data governance, which prioritizes national security and digital sovereignty. By comparing these local mandates with international standards like the GDPR, this research provides strategic insights for legal compliance and policy development in one of Southeast Asia's fastest-growing digital economies.

Research Questions

The paper focuses on three questions:

To what extent do the current data localization requirements in Vietnam impact the operational efficiency and digital trade of foreign service providers?

How does the 2026 legal framework balance the protection of individual data privacy with the state's objectives for national security and data sovereignty?

What are the primary legal and technical challenges for enterprises in harmonizing Vietnam's data residency mandates with international data transfer standards?

Key legal framework for the paper analysis

The PDPL (2026): Replaced Decree 13 and introduced stricter revenue-based fines for non-compliance.

Law on Cybersecurity 2025: Effective July 1, 2026, it consolidates previous regulations and clarifies the "golden hour" timelines for data requests and content removal.