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# IMPROVING VIETNAM'S LEGAL FRAMEWORK ON ADMINISTRATIVE SANCTIONS FOR ADVERTISING VIOLATIONS: A COMPARATIVE STUDY WITH CHINA

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## ABSTRACT

Advertising plays a vital role in modern market economies by facilitating information flow, stimulating competition, and shaping consumer behavior. However, misleading and unlawful advertising practices pose serious risks to consumer protection, market fairness, and social order. In Vietnam, administrative sanctions constitute the primary legal mechanism for addressing advertising violations. Despite recent legal reforms, the current regulatory framework remains insufficient to address challenges arising from digital advertising, influencer marketing, and cross-border online platforms. This article critically examines Vietnam's legal framework for administrative sanctions in the advertising sector, identifies its limitations, and compares it with China's advertising law enforcement regime. Drawing on China's experience in imposing stringent sanctions, regulating online advertising, and clarifying institutional responsibilities, the article proposes concrete recommendations to improve Vietnam's legal framework. These include enhancing sanction severity, clarifying liability for digital platforms and influencers, strengthening enforcement coordination, and improving consumer redress mechanisms. The study contributes to comparative administrative law scholarship and offers policy-oriented recommendations for strengthening advertising governance in Vietnam.

**Keywords:** advertising law, administrative sanctions, Vietnam, China, consumer protection, digital advertising.

## 1. Introduction

Advertising has become an indispensable component of contemporary economic life. In market economies, advertising facilitates communication between producers and consumers, promotes brand recognition, and encourages competition. At the same time, advertising has strong persuasive power, which can be easily abused through false, misleading, or unethical practices. As a result, almost all legal systems impose regulatory constraints on advertising activities, particularly through administrative law mechanisms.

The Institute for Advertising Ethics (n.d.) has outlined the basic principles and practices in advertising. These principles and practices are meant to guide businesses and advertisers on what is right or wrong in advertising. Principle 1 requires advertisements to be truthful and non-misleading because advertisements that go against this principle impair customers' ability to make informed choices. Principle 2 demands substantiation, meaning advertisers should not make any claims, whether directly or implied, that cannot be proven without reasonable doubt. Principle 3 concerns fairness in advertising, meaning that advertisers should not disseminate advertisements that unfairly manipulate consumers, especially the most vulnerable in society, including children and older people. The principle imposes a duty of care on advertisers. Because manipulative advertising harms customer well-being, trust, and loyalty to brands, Principle 4 is about social responsibility: businesses should prepare advertisements with a sense of responsibility to society, as irresponsible advertising can cause myriad harms. Principle 5 concerns disclosure and prohibits businesses from concealing any information related to the product. Advertisers must make any relevant product information available early. Principle 6 demands transparency, requiring advertisers to inform their audience when content is advertising.

*Advertising and other sponsored content, including communications by influencers and other endorsers, should be clearly identifiable as advertising, including where content is generated, personalized, amplified, or materially shaped by automated or algorithmic systems. Such content should not be created or designed to manipulate or obscure the communication's intent.*

Principle 7 protects consumer data and privacy. Advertisers are required to respect consumer privacy and collect only necessary, legal data, as consumer data is prone to misuse. Principle 8 on voice and internal processes requires advertising agencies to establish internal processes for assessing, reviewing, and addressing concerns about their practices. Principle 9 requires

advertising agencies to maintain healthy commercial relationships with others in the same line of business, avoiding undisclosed conflicts of interest to uphold trust in the advertising industry. Principle 10 on lawfulness requires that advertising companies ensure their advertisements are disseminated in accordance with relevant laws. Lastly, Principle 11 requires advertisers to self-regulate in good faith where such mechanisms exist (The Institute for Advertising Ethics, n.d.).

According to McDuffey (2022), the legal framework surrounding advertising could vary from one jurisdiction to another. However, across all jurisdictions, there are some standard advertising violations. The universal violations as posited by McDuffey (2022) include Copyright infringement which involves the use of copyrighted materials without the copyright owners express consent; False advertising which consists of the advertiser making untrue claims about a product or service; Deceptive advertising which is disseminating advertisements that may not necessarily be untrue but the information is packed in a manner meant to mislead or deceive the consumer and; Trademark counterfeiting which is the practice of using another business's trademark in advertising. The violations noted above fall within the realm of advertising ethics. Barbu and Negulescu (2024) posit that advertisers have an ethical responsibility to disseminate accurate information about the products they promote; they must also avoid false information, exaggerations, and manipulative practices. In addition, Barbu and Negulescu (2024) argue that when businesses engage in ethical advertising, they reap benefits such as earning customer trust, enhancing the business's reputation, and developing lasting relationships with consumers.

It can be inferred that the general impact of ethical advertising is increased consumer trust and loyalty. Consumer trust and loyalty create an emotional bond between consumers and businesses, leading to a company's long-term success. Consumers who are attached or loyal to a business are likely to unintentionally continue marketing a company's products by speaking positively about it with others. On the flip side, some companies engage in unethical advertising. Unethical advertising violates the law and accepted societal ethical principles. Unethical practices such as deceptive, misleading, or manipulative advertising negatively impact businesses by eroding customer trust and loyalty, and they also affect consumers by undermining their ability to make rational, informed purchase decisions.

In Vietnam, administrative sanctions are the principal tool the State uses to regulate advertising

violations. The legal framework governing this area has evolved significantly, especially following the promulgation of the Law on Advertising and the Law on Handling of Administrative Violations. However, the rapid expansion of digital advertising, social media marketing, livestream commerce, and influencer-based promotion has exposed structural weaknesses in Vietnam's regulatory system. These developments raise fundamental questions about enforcement effectiveness, deterrence, and consumer protection.

China offers a valuable comparative perspective. As one of the world's largest advertising markets, China has developed a relatively comprehensive and stringent legal regime to regulate advertising, particularly online advertising. The Chinese Advertising Law imposes severe administrative sanctions, assigns clear responsibilities to advertisers, endorsers, and digital platforms, and emphasizes consumer protection. A comparative study between Vietnam and China thus provides meaningful insights for improving Vietnam's legal framework.

This article aims to:

- (1) analyze the current legal framework governing administrative sanctions for advertising violations in Vietnam;
- (2) identify key shortcomings in enforcement and regulatory design;
- (3) compare Vietnam's approach with China's advertising law regime; and
- (4) propose policy recommendations to enhance the effectiveness of Vietnam's legal system.

## **2. Legal Framework on Administrative Sanctions for Advertising Violations in Vietnam**

### **2.1. Main Legal Instruments**

Vietnam's advertising regulation is primarily governed by the following legal instruments:

#### **2.1.1. *The Law on Advertising***

This law sets out fundamental principles governing advertising activities, including permitted and prohibited content, advertising methods, and the rights and obligations of advertisers and advertising service providers.

Vietnam passed a new law on advertising, Vietnam Law on Advertising, No. 88/VBHN-VPQH, 2025, on 22<sup>nd</sup> August 2025, that comes into force on 15<sup>th</sup> February 2026. The new law

is an Amendment to Vietnam Law No. 16/2012/QH13 (The 2012 Law on Advertising). According to the Vietnam Law on Advertising, No. 88/VBHN-VPQH, 2025, Article 8 deals with prohibited acts in advertising. Article 8, Clause 9 has prohibited.

*Advertising incorrectly or using causing confusion about the business competence, the ability to provide products, goods and services of organizations and individuals trading and providing such products, goods and services; about the quantity, quality, prices, features, designs, package, brand name, type, method of service, warranty period of the registered or Announced products, goods and services.*

The Law on Advertising has expressly prohibited deceptive advertising. The wording of clause 9 expressly prohibits deceptive practices by advertisers and businesses. The law has envisioned a situation in which businesses engage in ethical practices through truthful advertising. In Addition, the law has stipulated regulations on the content of advertisements in Article 19. Article 19, Clause 1 has specified that an advertisement must be “*truthful, clear, must not be misleading or contain misleading content about the features, quality, use or effects of products, goods and services.*” Hence, we can deduce that Vietnam has tried to address the issues of deceptive advertising.

### ***2.1.2. The Law on Handling of Administrative Violations***

This law provides the general framework for administrative sanctions, including sanction types, procedures, and enforcement mechanisms applicable across all sectors. Vietnam imposes administrative sanctions under the *Law on Handling Administrative Violations* (Law No. 15/2012/QH13). Regarding administrative sanctions, Article 2 of the law states that ‘*the administrative sanctions include application of sanction forms, remedial measures with respect to individuals, organizations committing acts of administrative violations according to provisions of law on administrative sanctions which the competent persons implement*’. In contrast, Article 1 stipulates that administrative violations include actions by individuals that violate state management provisions but do not necessarily constitute criminal acts. The Law on Handling Administrative Violations provides for compensation for damages under Article 13. Article 1, Clause 1, entities or individuals who cause damages because of administrative violations shall make compensation for the same in line with the provisions of the civil law. Regarding remedial measures for breaches related to advertising, the Law on handling administrative violations states in Article 28, Clause 1, point e that administrative violators

may be subjected to “*forcible correction of false information or misleading*” information. Deceptive or misleading advertising falls under Article 34, expressly stating that

*Individuals and organizations committing administrative violations must correct false or misleading information that has been announced, or published in the mass media, or on websites; if they do not voluntarily carry out their duties, they shall be coerced to do so*

The article covers aspects of unethical advertising, including deceptive or misleading practices. It has recognized the need for entities or individuals who disseminate deceptive or misleading advertisements to retract or correct their actions or to provide false or misleading information. It has further stated that if violators fail to correct the false or misleading information, they would be forced to do the same. The power to force entities to correct false or misleading information is legally expressed in Article 28, Clause 1, point e of the law.

### **2.1.3. Decree No. 38/2021/ND-CP:**

This decree specifies administrative penalties for violations in cultural and advertising activities, including monetary fines and remedial measures. Vietnam Decree No. 38/2021/ND-CP of March 29, 2021, on prescribing penalties for administrative violations involving cultural and advertising activities, provides the legal framework for dealing with administrative violations touching on cultural and advertising activities- Article 1, Clause 1. According to Article 3, the primary applicable sanctions are Clause 1 point (a) cautions, (b) Fines, and (c) Temporary suspension. Concerning the applicable remedies related to unethical advertising, the Decree states in Article 4, Clause 3 that the violating entity may be subjected to “*compulsory removal, demolition or deletion of advertisements or recall of print ads, including newspapers and magazines, or compulsory dismantlement of advertising or commercial signage, billboards or signboards.*” Under Article 4, Clause 4, the violating entity is required to offer apologies to affected organizations and individuals, while Article 4, Clause 5, mandates the compulsory disgorgement of illegally obtained gains. As per Article 5 of Decree No. 38/2021/ND-CP, for violations related to advertising, the fines imposed shall be a maximum of 100,000 dong for individuals and 200,000 dong for organizations.

Decree No. 38/2021/ND-CP in Article 34, Clause 2 has provided for fines ranging between 10,000,000 dong and 20,000,000 dong for point (a) disseminating advertisements that use “*superlative words or phrases like 'best', 'only ', 'number one' or other equivalents without*

*legally required corroborative evidence.*” There are instances in which businesses disseminate false or misleading advertisements regarding their trade capacity, such as their ability to supply certain products or services, the quality and quantity they offer, and other qualities, in a manner that deceives consumers into initiating business transactions with them. For such a violation, Article 34, Clause 5 imposes a fine ranging between 60,000,000 dong and 80,000,000 dong.

#### **2.1.4. Guiding circulars and sectoral regulations issued by relevant ministries.**

Together, these instruments establish a relatively comprehensive legal basis for regulating advertising activities in Vietnam.

## **2.2. Types of Advertising Violations**

Under Vietnamese law, Law on Advertising, No. 88/VBHN-VPQH (Hanoi, August 22, 2025), advertising violations subject to administrative sanctions include: False or misleading advertising regarding product quality, origin, or effects under Article 8, Clause 9, which prohibits misleading or deceptive advertisements that disseminate inaccurate claims about an entity's product or service provision capabilities, such as quantity, quality, prices, features, etc. Regarding the requirements for advertising contents, Article 19, Clause 1 has stipulated adverts must disseminate truthful, precise and clear information so as not to cause “*misunderstanding about the features, quality, uses or effects of products, goods and services*”; Advertising of prohibited goods or services, such as tobacco, Article 7, Clause 2, or counterfeit products; Advertising that violates social ethics, cultural values, or public order, Article 8, Clause 3; Outdoor advertising that violates planning or technical standards, Article 8, clause 4; Advertising without proper notification or approval from competent authorities.

These violations reflect traditional regulatory concerns but are increasingly challenged by new advertising formats.

## **2.3. Competent Authorities and Enforcement Mechanisms**

According to Article 4 of the Law on Advertising, No. 88/VBHN-VPQH, enforcement authority over advertising violations is distributed among several agencies, including:

- The Ministry of Culture, Sports and Tourism;
- The Ministry of Information and Communications;

- Market surveillance authorities;
- Provincial and local administrative agencies.

While this multi-agency structure allows sector-specific supervision, it also leads to overlapping jurisdiction and coordination challenges, particularly in online advertising enforcement. Linh (2019) also notes that there exists a coordination gap in how state agencies perform their regulatory and oversight role in advertising. There is no clearly laid down legal framework for how the different agencies coordinate their roles to avoid overlap. With this legislative lacuna, there are evident gaps in the regulation of internet advertising. Huynh (2021) notes that Vietnam's *"online advertising industry on social media recorded approximately USD 3 billion in revenue, whereas its ride-sharing service industry reached an estimated revenue of USD 1 billion in 2020."* These numbers show a robust sector that is highly lucrative and requires effective regulatory oversight.

#### **2.4. Sanctioning Measures**

Administrative sanctions in Vietnam typically include: Monetary fines, confiscation of illegal advertising materials, mandatory removal or correction of advertising content, and temporary suspension of advertising activities.

According to *Decree No. 38/2021/ND-CP, Article 3, on Sanctioning forms, Article 4 on the applicable remedies, and Article 5 on the appropriate fines and the fining authority.* In practice, monetary fines and content removal remain the most commonly applied measures, while harsher sanctions are rarely imposed.

### **3. Challenges and Limitations of Vietnam's Current Framework**

#### **3.1. Inadequate Regulation of Digital Advertising**

Vietnam's advertising laws were primarily designed for traditional media. Although online advertising is mentioned, detailed provisions governing influencer marketing, livestream sales, and algorithm-driven advertising remain underdeveloped. This results in regulatory gaps and enforcement difficulties. Kaohoon International (2025) notes that Vietnam has been grappling with protecting consumers from unethical advertising. There has been a notable surge in misleading and deceptive advertising, as well as promotion of counterfeit products on digital

platforms and influencer channels, leading to an outcry from consumers. The challenge has arisen from a lacuna in the Advertising Law 2012 that covered digital advertising in the traditional electronic platforms such as websites, online newspapers, and email. However, the fast-evolving digital ecosystem has brought new channels for digital advertising, *such as social media (e.g., Facebook, Instagram, TikTok), video-sharing sites like YouTube, e-commerce platforms, and influencer marketing channels*” (Kaohoon International, 2025). It is further noted that the Advertising Law 2012 is silent on the rights and responsibilities of advertisers, particularly influencers and celebrities who wield significant influence in the digital marketing sphere and shape consumer behavior (Kaohoon International, 2025).

The same challenge of regulating non-traditional digital forms of advertising highlighted above has been echoed in Vinh (2024), who quotes the National Assembly of Vietnam's deputies' debate on the draft Law on Amending and Supplementing several articles of the Law on Advertising, on November 25, 2025. During the discussion, deputy Thach Phuoc Binh (Tra Vinh) was quoted as saying that the current Law on Advertising 2012 regulated traditional forms of advertising in newspapers and on television but lacked specific regulations for emerging forms of digital advertising, such as Facebook and TikTok. The deputy is further quoted as having told the National Assembly of Vietnam that the Committee on Culture and Education had reported that the lack of consistent regulations had resulted in 70% of online advertising being processed ineffectively. The deputy recommended that the draft advertising law include provisions to govern emerging advertising modes, such as social media advertising and AI use in advertising, and to clearly define the responsibilities and obligations of all digital advertising parties (Vinh, 2024).

### **3.2. Weak Deterrence Effect**

The current sanctioning regime relies heavily on fixed monetary fines, which are often insignificant compared to profits generated from unlawful advertising. Consequently, administrative sanctions lack sufficient deterrent effect, particularly against large corporations and digital influencers. It is argued that the Advertising Law 2012 has been ineffective in deterring repeat violations, as evidenced by continued violations even after the imposition of administrative sanctions. The incidence of repeat violations is rampant in large organisations because they can easily pay the fines, suggesting that the law is not adapting fast enough to the challenges emerging from the fast-evolving digital advertising industry. It is anticipated that

the Law will address these deficiencies in the law on Advertising, No. 88/VBHN-VPQH of August 22, 2025 (Kaohoon International, 2025). Le (2025) quoted Mr. Le Quang Tuong, Director of the Department of Radio, Television, and Electronic Information (Ministry of Culture and Information), who presented his views at the conference on online advertising on July 30, 2025. He told the conference that the current sanctions imposed on KOLs, KOCs, and celebrities were inadequate. The prevailing financial Administrative Sanctions in Vietnam had risen from 15 million to 70-80 million VND. Still, they were not stiff enough, because violators could be paid more than 10 times the penalties imposed. In view of these circumstances, Mr. Le Quang Tuong had made proposals that, if adopted, would require social media platforms, and more specifically TikTok, to impose stringent penalties, such as terminating partnerships with KOL/KOCs that violate advertising regulations, for a period of 3-6 months to promote responsible digital advertising. Vietnam faces a problem of celebrities and social media influencers who violate advertising regulations yet continue to appear in the media, on game shows, and at public events unhindered because there is no clear legal framework to hold them accountable for these violations. Mr Le Quang Do suggests that Vietnam could borrow a leaf from the Korean model of dealing with digital advertising violations. In the Korean practice management companies, platforms, and society jointly build regulations on behaviour with the offending celebrities. There, when an artist is identified as having been in violation, they can seldom go back to public activity anymore - a very effective self-regulation mechanism despite the absence of legal regulations (Le, 2025)

### **3.3. Fragmented Enforcement Structure**

The division of enforcement authority among multiple agencies leads to inconsistent enforcement and delayed responses to violations. This fragmentation undermines regulatory efficiency and legal certainty. Nguyen and Dien (2026) note that Vietnam's digital marketing sector is difficult to standardize and regulate because it comprises numerous small, disjointed brands and agencies that coordinate and run influencer campaigns operating with minimal oversight. Viet Nam News (2024) argues that the prevailing digital advertising framework has not kept pace with the growth of online advertisers and the rise of influencer marketing. This means Vietnam needs to establish a well-structured framework for regulating the digital advertising ecosystem. The fragmentation and sometimes overlapping roles assigned to different government agencies in regulating advertising have hindered efficiency. Viet Nam News (2024) states that, generally, advertising in Vietnam is regulated by the state through the

Ministry of Culture, Sports and Tourism (MCST). Efficiency challenges arise because the ministry does not undertake this role independently. The Ministry of Information and Communications (MIC) is tasked with *regulating “observance of law in advertising on the press, the cyber environment, and publications, and integrated advertising on the post, telecommunications, and information products and services.”* The irony of the situation is that the MIC manages all forms of advertising, but must do so alongside the MCSI. Further, it is noted that advertising, as a commercial activity, falls within the purview of the Ministry of Industry and Trade (MOIT). The Law on Advertising has delegated to the MOIT the authority over sales promotion, advertising, goods display and exhibition, and trade affairs. Viet Nam News (2024) points out inconsistencies arising from the 2005 Commercial Law and the 2012 Law on Advertising in their regulation of advertising.

### **3.4. Limited Consumer Redress Mechanisms**

Administrative sanctions in Vietnam focus primarily on punishing violators rather than compensating consumers. Victims of misleading advertising must typically pursue civil litigation, which is costly and time-consuming. According to the Law on Protection of Consumer Rights 2023 (Law No. 19/2023/QH15), Article 4, Clause 5, consumers have the right to request compensation for damages if they purchase goods, products, or services and realize they do not meet the advertised standards. Clause 7 allows consumers to file lawsuits, denunciations, or complaints, or to request that social organizations do the same on their behalf. In case a business does not supply goods or services as advertised, it is obligated in Article 36, Clause 1 to come into a consensus with the affected consumer to: point (a) resupply the service; (b) supply the service free of charge for the remaining period, or discount the part of the service.

Provided, (c) Terminate the supply of service and refund the consumer; (c) Take other measures as agreed upon by the parties. The challenge noted in the consumer protection law above is that the work of seeking compensation is left to the consumer. Government agencies that impose sanctions on businesses for disseminating deceptive or misleading advertisements fine businesses found in violation of regulations, but do not address the damage to consumers. The consumer may face many hurdles as they seek redress for the damages, because the business entity may take a long time to make amends or may flatly refuse to compensate, forcing the consumer to initiate a civil lawsuit. The lawsuit route may prove costly and time-consuming. A situation that could be avoided is for the agencies responsible for advertising violations to

address the damage to consumers in the first place.

#### **4. China's Legal Framework on Advertising Violations**

##### **4.1. Overview of China's Advertising Law**

China's Advertising Law establishes strict principles requiring advertisements to be truthful, lawful, and socially responsible. It explicitly prohibits false advertising and misleading claims and imposes enhanced obligations on advertisers and endorsers. The Advertising Law of the People's Republic of China (as amended on April 29, 2021) is the current prevailing law on advertising in China. Article 3 of the law stipulates that all advertisements must be truthful and lawful, presented in a healthy manner, and in the socialist spirit of the traditional culture of the Chinese people. This article begins with ethical advertising, which mandates that advertisers be truthful and act within the law. Also, it has addressed the importance of the socialist spirit and the traditional culture of the Chinese people. This shows an understanding by Chinese lawmakers in pursuit of profits, advertisers may act in utter disregard of the socialist spirit and culture that defines China as a nation. Therefore, the law has stressed the importance of truthful advertising while upholding the values that China holds dear. Article 4 has prohibited false or misleading content that might trick or mislead consumers. In addition, advertisers are responsible for maintaining truthfulness in their advertisements. Misleading or deceptive content harms trade by eroding customer trust and loyalty. The loss of consumer trust negatively affects businesses and markets by reducing trade, as deceptive or misleading advertisements create uncertainty. Article 14 prohibits the mass media from disguising advertisements as news reports. Every advertisement must be clearly labeled as an advertisement and must not be misleading. This provision could be understood as recognizing the role of the mass media in providing balanced reporting. Consumers of news reports expect them to be balanced; therefore, if a media house disguises an advertisement as a news report, it takes advantage of the trust consumers place in it. This action is unethical because it exploits consumer trust.

The Advertising Law of the People's Republic of China (as amended on April 29, 2021) has also spelled out what comprises a false advertisement. Article 28 of the law stipulates that advertisements that trick customers by the use of false or disingenuous content fall under the category of false advertisements. In addition, advertisements fitting these descriptions also fall under false advertisements: Article 28, Clause (1) non-existent goods or services; (2)

misleading advertisements about the goods and services, such as

*the actual conditions regarding a goods' performance, function, origin, uses, quality, specifications, components, price, manufacturer, and effective period, sales status and information on awards and honors received; or of a service's content, supplier, form, quality, price, sales status, and information on awards and honors received; having a material impact on purchasing.*

(3) making advertising claims using false or unverifiable data or scientific research; (4) making untrue claims of the benefits of using the advertised goods or services; (5) any form of advertising that is aimed at tricking or misleading consumers.

Article 49 gives the market supervision and administration department supervisory and management powers over advertisers. The law has given the department the power to: (1) Physically inspect premises suspected of generating and disseminating illegal advertisements; (2) Question all persons of interest regards creation and dissemination of false advertisements or their legal representatives; (3) Request the parties suspected of illegal advertising practices to submit the requisite supporting documents with a specific timeframe; (4) Access and the power to reproduce all documents related to the illegal advertising activities investigation; (5) seal and confiscate advertisements and inventory related in the production and dissemination of the unlawful advertisement; (6) Suspended the dissemination of any advertisement that could trigger serious consequences; (7) Exercise all the other powers provided by law or administrative sanctions.

#### **4.2. Stringent Administrative Sanctions**

China's Law on Advertising imposes stringent administrative sanctions on advertising violations. Chinese authorities may impose:

Heavy fines are calculated based on advertising expenses or illegal profits. Article 55 provides that where advertising agents or advertisement publishers knowingly or are in a position to know and proceed to design, create, represent, or publish a false advertisement, the department of market regulation has the power to confiscate the advertising costs and impose a fine of between three and five times the advertising costs. In cases where it is impossible to determine the advertising costs or the costs are obviously low, the department may impose a fine of

between 1,000,000 and 2,000,000 yuan, alongside other penalties prescribed in the article. Alongside other penalties, Article 57 provides for the imposition of a fine ranging between 200,000 and 1,000,000 yuan for: Clause (1) advertisements in contravention of articles 9 or 10 of the Law on advertising; (2) advertisements in violation of Article 15 of the Law on Advertising regarding advertisement of prescription drugs, pharmaceuticals for easy to produce drugs, medical equipment or how to quit drugs; (3) Advertisements in contravention of Article 20 of the Law on advertising for any infant dairy products that make claims that they can fully or wholly replace mothers milk; (4) Advertising tobacco in contravention of Article 22 of the Law on Advertising; Violating Article 37 by advertising goods whose production and selling is prohibited; and Violating Article 40 by advertising on mass media goods that are detrimental to the physical and mental health of minors.

Suspension of advertising or business activities. Article 57 of the Advertising Law of the People's Republic of China (2021) has set out circumstances under which the department of market regulation may suspend the publishing of advertisements, such as Clause (1) advertisements contravening Article 9-10, among other conditions set out in Clauses (1) -(6). Article 58 of the law may stop the publication of advertisements that violate the law as outlined in its Clauses (1) – (1). In addition, suspension of advertisement publication may be imposed in accordance with Article 59, Clauses (1) – (4).

Revocation of business licenses in serious cases. According to the Law on Advertising, an advertising licence may be revoked in accordance with the provisions of Articles 55 and 57. Mandatory public corrections and apologies. These sanctions significantly enhance deterrence.

#### **4.3. Regulation of Online Advertising and Influencers**

China's legal framework explicitly regulates online advertising and celebrity endorsements. Influencers who promote false advertising may be jointly liable, while digital platforms must actively monitor advertising content. Article 44 of the Law on Advertising specifically regulates all activities related to digital advertising, as it states, in part, "*regulates online advertising and celebrity endorsements.*" This means that all digital advertising must be ethical and comply with all legal requirements for advertising as set out in the Law on Advertising.

#### **4.4. Centralized Enforcement Mechanism**

The State Administration for Market Regulation (SAMR) plays a central role in advertising

enforcement, ensuring consistency and efficiency. Article 6 of the Law on Advertising is specific that the “*State Council for Market Regulation is in charge of national efforts to oversee and manage advertising.*” The council has departments that manage advertising as outlined. In the county level and above, regulatory oversight and management of advertising fall under the county department for market regulation. In contrast, “*people's governments at the county level and above are responsible for efforts related to the management of advertising within the scope of their respective duties.*”

## **5. Comparative Analysis: Vietnam and China**

Compared with Vietnam's, China's framework is more fragmented, less stringent, and less well adapted to digital advertising. China's experience demonstrates the importance of proportional sanctions, platform accountability, and centralized enforcement.

In China, advertising is regulated by one central regulator, the State Council for Market Regulations, which has various departments assigned specific roles. Vietnam's advertising regulation is characterized by the use of multiple ministries, such as Ministry of Culture, Sports and Tourism (MCST) as the lead regulator then other ministries such as Ministry of Information and Communications (MIC), Ministry of Health (MoH), Ministry of Industry and Trade (MoIT), and Ministry of Agriculture and Rural Development (MARD). The centralized regulatory framework in China has created a stable and effective regulatory landscape compared to Vietnam, where regulation is spread across various ministries. The case of Vietnam has led to disjointed, sometimes overlapping regulatory efforts that have hindered effectiveness.

An analysis of the advertising laws in the two jurisdictions shows that China's Law on Advertising is particularly strict in its regulations and sanctions, down to minute details. In contrast, Vietnam's law is more generalized. Nguyen and Dien (2026) note that Vietnam has been greatly influenced by China's regulatory regime, including the use of blocklists and career-ending bans imposed on artists. The advertising regulatory framework in China is fully developed, with the law providing sanctions against advertisers, advertising agencies, and the media used to disseminate advertisements. Vietnam's law on digital advertising is in its infancy and could borrow heavily from the law already in use in China.

## **6. Recommendations for Improving Vietnam's Legal Framework**

### **6.1. Strengthening Sanctions**

Vietnam should consider increasing fines based on advertising revenue and introducing license suspension for serious violations. Vietnam should emulate China in imposing fines on businesses and individuals for advertising violations. China has stiff penalties that could be up to three times the financial gain obtained from an advertisement that has violated advertising regulations. Experience has shown that the current fixed-fines regime is insufficient as a deterrent. For example, some online content creators and influencers intentionally disseminate deceptive or misleading advertising, knowing that the benefits they reap from such ads could be more than 10 times the paltry fine that will be imposed on them. Therefore, Vietnam should move from a fixed fine system and adopt the evidently more punitive Chinese approach. Also, a license suspension would be an effective measure because it halts the flow of advertising revenue. Faced with the threat of losing advertising revenue, advertisers will be compelled to comply with advertising regulations. Moreover, Vietnam could adopt a permanent ban approach for repeat offenders. This career-ending move would serve as an example to the other advertisers who would be inclined to violate advertising rules.

### **6.2. Regulating Digital Advertising**

Explicit legal provisions should be introduced to regulate influencer marketing, livestream advertising, and platform responsibility. Digital advertising, as a new advertising frontier, has come with its share of regulatory challenges. Existing advertising laws were mainly designed for traditional media such as TV, Radio, and Newspapers. The rise of social media and other internet-based advertising modes calls for new laws suited to the new environment. The ease of using the internet and AI has led to an increase in deceptive and misleading advertisements. Vietnam should pass stringent social media advertising laws because the easing of regulations on content creation and dissemination has increased violations of advertising regulations.

### **6.3. Enhancing Institutional Coordination**

A lead enforcement authority should be designated to coordinate advertising regulation. Currently, advertising regulations in Vietnam are spread across different ministries. The lead ministry is the Ministry of Culture, Sports and Tourism (MCST), alongside the Ministry of

Information and Communications (MIC), the Ministry of Health (MoH), the Ministry of Industry and Trade (MoIT), and the Ministry of Agriculture and Rural Development. Looking at the spread of regulatory responsibilities across many ministries, it is evident that such a scenario will lead to inefficiency. China, on the other hand, has a centralized regulatory system controlled by the Department of Market Regulation. Vietnam should amend its laws to centralize advertising regulation to improve efficiency.

#### **6.4. Improving Consumer Protection**

Administrative procedures should incorporate compensation mechanisms for consumers harmed by misleading advertising. The current Vietnam sanctions have not focused on consumer compensation. The law is structured to focus on administrative sanctions, without explicitly stating how affected consumers will be compensated for damages arising from deceptive or misleading advertisements. Deceptive or misleading advertisements have a myriad of effects on the consumer. They may trigger mental health challenges when consumers start second-guessing themselves because of the wrong financial decisions they made in buying a specific advertised product or service. Also, purchasing a product or service that does not meet the details given in an advertisement results in a financial loss. The current law envisions a situation in which the affected customer requests that the seller make amends, either by refunding the money or by supplying the appropriate product or service. If the seller declines, the consumer is expected to initiate a lawsuit. This means that the responsibility of seeking redress is shifted to the consumer. Some lawsuits are costly and time-consuming, and the consumer may not get justice. Therefore, the administrative sanctions should empower the administrative agency to impose sanctions on the seller to compensate the consumer. This would deter businesses that might otherwise engage in unethical advertising practices.

#### **7. Conclusion**

The effectiveness of administrative sanctions is crucial for ensuring lawful advertising and protecting consumers. While Vietnam has made progress in regulating advertising, significant reforms are required to address digital challenges. A comparative analysis with China highlights valuable lessons on sanction severity, enforcement coordination, and platform accountability. By adopting targeted reforms, Vietnam can build a more effective and modern advertising regulatory framework aligned with international best practices

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