



Top Legal Minds, Strong Commercial Sense

Discussion on new regulation regarding the use of e-contract on employment practices

On 24 December 2025, Government Decree No. 337/2025/NĐ-CP on Electronic Labor Contract (**Decree 337**) was promulgated and took effect from 01 January 2026. For the first time, the use of electronic contract for employment practice has been clearly regulated by this Decree 337, on non-mandatory basis (Article 4.3 - the use of electronic labour contract is only encouraged).

However, while Decree 337 does not expressly require the use of eContract as mandatory, there are new legal concepts introduced by Decree 337 that should be carefully considered from a practical point of view to justify the effect of Decree 337 onto the employment practice.

In this newsletter, we discuss noteworthy issues for the business's further consideration.

1. What is “electronic labor contract” (and what is not)?

Decree 337 gives a clear definition on electronic labor contract, under Article 3.1, which reads *“eContract means a labor contract concluded and established in the form of data messages...in accordance with the laws on electronic transactions...having the same legal validity as paper-based written labor contracts”*.

It is important to note that there is no definition of the paper-based written contracts under Decree 337, nor the prevailing Law on Electronic Transactions and its guiding regulations (NB: the Law on Electronic Transactions also does not have clear definition on eContract, it only has a similar definition on ‘e-transaction’, to be *transaction which is conducted using electronic means*).

With the absence of a clear definition on paper-based contract, to determine whether a labor contract shall be regarded as eContract in accordance with Decree 337 or not, the business should pay attention to the concept of ‘*data message*’ as currently referred to under Article 3.1 of Decree 337, which is further defined under Article 3.4 of the Law on Electronic Transactions that reads “*data message means information generated, sent, received or stored by electronic means*”. Strictly speaking, if a labor contract is not stored on paper-based basis (says, a contract be signed in wet-ink, paper-based arrangement, but later be exchanged and stored electronically instead of the original hardcopy), there exists a likelihood that it may be considered (or deemed) as an eContract in accordance with Decree 337, even where the business never intended to adopt the eContract arrangement in the first place.

2. When does Decree 337 become mandatory?

Decree 337 currently stipulates that the use of eContract is on encouragement basis, not mandatory. However, Decree 337 imposes mandatory requirements on (i) the conversion of paper-based written labor contracts into eContract, (ii) amendments of existing paper-based written labor contracts via *data message* form.

From a practical point of view, labour contracts are usually executed and managed through different practices, such as, scanned documents, confirmation via email exchanges, using scanned/e-signatures instead of wet-ink signature etc. These practical arrangements should be carefully considered in light of the new paper-based written contract concept introduced by Decree 337. If current practice of the business exposes a contract to be reconsidered as eContract as discussed above, compliance risk concerning the aforementioned mandatory requirements may arise. Furthermore, as a result of the eContract implication, other mandatory obligations contemplated under Decree 337 (e.g. filing, reporting) shall be applicable to the business as well.

Remark

Notwithstanding the foregoing uncertainty, Decree 337 still marks an important development of employment legal framework in Vietnam toward digitising a centralized eContract platform. It is expected that the implementation of Decree 337 would be helpful to address several long-standing challenges in labour practices, such as uncertainties surrounding the legal recognition and use of electronic labour contracts in dealings with third parties such as tax authorities, social insurance agencies, or banking procedure etc., Nevertheless, the new mechanism introduced by Decree 337 is still quite new, and the eContract platform required by Decree 337 has not been established yet (it is currently required that the platform shall be developed for formal launching by 01 July 2026). Therefore, practical impact and implications of Decree 337 on employment practices remain to be seen.

Key contacts

If you have any questions or would like to know how this might affect your business, please contact the key contacts.



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