© IJARW | ISSN (O) - 2582-1008
November 2026 | Vol. 8 Issue. 5
www.ijarw.com

LIABILITY OF LOGISTICS SERVICE PROVIDERS IN VIETNAM: CONTRACTUAL RISK, COMPENSATION LIMITS AND MULTIMODAL OPERATIONS

Tống Thị Thu Trang

Department of Law, TNU – University of Sciences, Thai Nguyen, Vietnam

ABSTRACT

Logistics contracts integrate warehousing, forwarding, transport coordination, customs-related services and delivery into increasingly complex supply chains. This article analyses the liability of logistics traders in Vietnam under the Commercial Law 2005 and Decree No. 163/2017/ND-CP, focusing on service classification, notice of cargo value, statutory and contractual liability limits, allocation of loss across subcontractors and evidence of breach. It explains why the applicable limit must be determined by reference to any specialized transport law before applying the general logistics framework. The discussion identifies contractual fragmentation, uncertainty about the responsible stage of a multimodal movement, inconsistent cargo records and insufficient disclosure of liability ceilings as practical sources of conflict. It proposes a stage-specific responsibility matrix, standard procedures for declaring value, incident documentation, proportionate insurance and more transparent contractual incorporation of liability terms. The study concludes that logistics law should encourage predictable risk pricing without allowing formal contracting structures to remove meaningful accountability.

Keyword: Logistics services; Liability limits; Multimodal transport; Cargo loss; Commercial Law; Vietnam.

1. INTRODUCTION

Logistics services connect producers to markets by coordinating storage, handling, freight, clearance and delivery. An apparently simple shipment may be handled by multiple independent businesses across different stages. The cargo owner often contracts with one lead provider but cannot directly observe each carrier or warehouse. When goods are lost or damaged, legal responsibility can become difficult to trace even where commercial loss is evident.

In Vietnam, logistics is treated as a commercial service under the Commercial Law 2005, while Decree No. 163/2017/ND-CP regulates business conditions and liability limitations. Specialized transport legislation may also apply to particular modes. The resulting framework is deliberately layered, reflecting different types of cargo, services and transport risks, but it can be difficult to apply to integrated service packages sold under one commercial price.

This study asks whether the legal framework adequately balances affordable logistics services with effective compensation. It uses statutory interpretation and risk-allocation analysis, without claiming access to industry-wide loss statistics. The focus is not on expanding absolute liability but on enabling businesses to identify which party has accepted which risk at each stage.

2. SCOPE OF LOGISTICS SERVICES AND THE LEGAL FRAMEWORK

The Commercial Law defines logistics activities broadly to encompass several tasks performed under customer arrangements for remuneration. The range includes handling, warehousing, transport-related activities and other connected services. This functional conception reflects the commercial reality that providers may act as carriers for one segment, organizers for another and custodians for a third.

Decree No. 163/2017/ND-CP identifies categories of logistics activities and supplies a general liability-limitation framework. It does not displace more specific laws that set liability ceilings for transport activities. A sound legal assessment must therefore first characterize the service and

its transport mode, then identify any specialized limitation rule, and only then consider contractual agreement and the Decree's general default arrangements.

A provider's commercial description as a 'one-stop logistics partner' cannot answer whether it assumed responsibility as principal for subcontracted performance or merely undertook to arrange services. The agreement should identify the lead provider's obligations, the conditions for subcontracting and whether the cargo owner has direct recourse to separate operators. Ambiguity may generate inconsistent expectations about responsibility for the entire route.

3. LIABILITY LIMITS AND DECLARATION OF CARGO VALUE

Article 5 of Decree No. 163/2017/ND-CP provides that relevant specialized liability rules take priority where they apply. Where no law stipulates a limit, the parties may agree on one. In the absence of such agreement, when the customer has not given prior notice of cargo value, the maximum liability is VND 500 million for each compensation claim; when value was notified and confirmed by the provider, the limit does not exceed that declared value. These rules are risk-pricing mechanisms rather than a guarantee that every loss will be compensated up to the ceiling.

The declaration of value plays a critical information role. High-value cargo creates exposure that may not be visible from weight or container dimensions. Advance declarations permit the provider to select security, packing, transport and insurance appropriate to that exposure. Conversely, a declaration system that is obscure or not acknowledged in writing deprives the customer of a realistic chance to influence the liability ceiling. Clear confirmation should be built into booking and handover procedures.

A liability limit must be distinguished from proof of liability. Even when the ceiling is known, the claimant ordinarily needs to establish a breach, loss and causal link under the applicable rules. A provider may invoke relevant exemptions where the legal conditions are met. Contracting parties should therefore avoid language suggesting that purchase of a logistics service automatically insures cargo to its full commercial value.

4. MULTIMODAL CONTRACTS AND SUBCONTRACTOR RESPONSIBILITY

Multimodal operations make the relevant stage of damage central to legal analysis. Cargo may be intact at origin, damaged while stored in transit and discovered only on final delivery. If the stage cannot be determined, the parties may argue over transport-mode limits or whether a general logistics limit applies. Decree No. 163/2017/ND-CP addresses different limits across multiple stages, but the practical difficulty lies in identifying the legal and factual scope of each stage.

Electronic tracking records, signed handover receipts, container seals, temperature logs and condition photographs can reduce uncertainty. Yet records are useful only if they specify timing and custody and are maintained in an accessible and reliable form. Standardized exceptions reporting at every transfer point creates a clearer evidentiary chain without requiring a large claims team.

Subcontracting should not become a vehicle for avoiding duties originally undertaken toward the customer. If the lead provider offers an integrated service, the customer needs a clear statement of who manages subcontractor incidents, insurance claims and documentary access. The lead provider's contractual recourse against its subcontractors is a separate matter from the customer-facing liability created by its own contract.

5. DISPUTE PREVENTION AND CONTRACT DESIGN

A functional logistics agreement should contain a service matrix showing the operator, performance location, custody transfer, documentary records and relevant liability regime for each stage. It should define the method and deadline for declaring value, the confirmation method, the terms under which a different contractual ceiling may be selected and the role of cargo insurance. Such a matrix reduces dependence on generic clauses buried in standard terms.

Claims clauses should distinguish immediate incident notification from final quantification of damage. Cargo owners may discover hidden damage after delivery and need a reasonable opportunity to document it. Providers, however, require prompt preservation of evidence and

access to goods. A staged notification process can reconcile these needs, provided that it is consistent with any mandatory claim periods under the governing law.

Insurance is a complementary but not interchangeable tool. Carrier liability coverage, professional indemnity and cargo insurance address different exposures. The contract should identify whose policy responds first, how salvage is handled and how insurer subrogation interacts with the provider's agreed obligations. Clear allocation reduces disputes that arise only after an insurer rejects a claim.

6. CONCLUSION

Vietnamese logistics liability rules combine contractual freedom with specific statutory limits and the priority of specialized transportation legislation. This structure accommodates diverse services but demands accurate legal characterization and careful recordkeeping. The 500-million-dong default is not a universal ceiling for all logistics claims and should never be read independently of the Decree's conditions.

A stronger practice would require transparent value declarations, stage-specific custody documentation, clear subcontractor arrangements and suitable insurance. These measures can make liability predictable without sacrificing access to legitimate remedies. The central governance objective is to match the price of logistics services with the level of risk actually accepted by the provider.

7. ACKNOWLEDGEMENTS

The author would like to thank TNU- University of Sciences for supporting us to complete this article.

REFERENCES

[1] National Assembly of Vietnam. (2005). Commercial Law No. 36/2005/QH11.

[2] National Assembly of Vietnam. (2015). Civil Code No. 91/2015/QH13.

[3] UNIDROIT. (2016). UNIDROIT Principles of International Commercial Contracts. Rome: UNIDROIT.

[4] McKendrick, E.. (2024). Contract Law: Text, Cases, and Materials. Oxford University Press.

[5] Government of Vietnam. (2017). Decree No. 163/2017/ND-CP on trade in logistics services, especially Article 5.

[6] Government of Vietnam. (2007). Decree No. 140/2007/ND-CP (repealed; historical comparison only).

[7] National Assembly of Vietnam. (2015). Maritime Code No. 95/2015/QH13 (specialized transport framework).

[8] United Nations. (1980). United Nations Convention on International Multimodal Transport of Goods (comparative instrument; not represented as applicable Vietnamese law).