

DELIVERY SPEECH OF HEAD OF THE INTERNATIONAL BUSINESS & LAW ACADEMY (IBLA)

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Distinguished Representatives,
Ladies and Gentlemen,

First, on behalf of Vietnam's International Business and Law Academy (IBLA), I would like to thank all of you and the ASEAN Lawyer Association for the opportunity, allowing me to be a speaker at this conference.

Secondly, for your information, in light of Vietnam's integration into the global business mainstream, especially, with Vietnam's intention to join the World Trade Organization, the Vietnam Lawyer Association (VLA) has officially formed and organized IBLA Academy. IBLA aims to serve the growing demand of our members and the Vietnamese business entities to develop international trade activities, in compliance with the international legal environment and regulations, especially, in the ASEAN region.

ASEAN economies have enjoyed some of the highest growth rates in the world in the recent decade. However, business people are encountering a number of serious obstacles that hinder open trade, investment, and that make it difficult for regional companies to boost their competitiveness by capitalizing on local efficiencies. As a member of ASEAN, whether economically, politically or culturally, but Vietnam's general legal and business understanding of ASEAN is still debatable. People often associated business law with a particular nation. A variety of ASEAN trade rules and practices are still vague to the VN business community. Thus, the misinterpretation of

ASEAN rules and practices, outside the scope of VN national law, often results in uncertainty, hindering collaboration and common economic growth.

Therefore, IBLA Academy, with the guidance of the Vietnam Lawyer Association, and with your support and co-operation, will focus on the following assignments:

1. Research and analyze the legal impacts of the national and international regulations pertaining to global business policies
2. Focus on research and analysis of legal policies to secure relevant conditions for economic co-operation between ASEAN countries
3. Develop relationship with international legal institutions to assist the private sector with market regulations and collaborations
4. Organize training programs and seminars, legal and business consulting, to improve general awareness, and to facilitate and support the growth of small and medium business enterprises.

IBLA objectives are to create ways to facilitate business deals, settle disputes and create secure legal environments that attract ASEAN partners and vice versa. The main objective of IBLA is to convince ASEAN-VN business communities to adopt common ground rules and model laws, which set out common, basic principles for international sales, arbitration, intellectual property, transport and other trade issues. Restrictions on foreign ownership, confusion in regulations, excessive documentation requirements, deficiency in publicity of regulations, restrictive property rights, tax treatment, quotas, harmonized commercial laws, etc. will be explored within the scope of our activities.

For Vietnam's legal and business community to become a vital partner of ASEAN, and for ASEAN public and private sectors to enhance the relationship with Vietnam, fundamental legal and trade issues should be discussed publicly. With different business and legal cultures and practices, Vietnam's SMEs need assistance in "doing business with ASEAN" in terms they and their ASEAN business partners understand. On the other hand, a better understanding of the ASEAN and VN legal structure and

regulations will encourage ASEAN companies to increase the mutual trade relationship with Vietnam.

In order to business effectively expand trade in the region; ASEAN economies must make all related regulations and guidelines uniformly clear and accessible to business. Where legal systems have not evolved, investors operate in a climate of uncertainty. In the last decade, many developing countries have joined the WTO; yet few have ratified more than 30% of the world's 200 most important treaties. With more deals being signed, more cases are finding their way to the courts. Vietnam, in principle, maintains a policy of encouragement of business partnership between ASEAN countries. A crucial element in its long-term development strategy is the continued ability for openness and integration into the world economy.

I hereby share with you a few distinctive improvements of the new “**Common Investment Law and Unified Enterprise Law of the Socialist Republic Vietnam**”, these Laws will become effective beginning July 1st, 2006, replacing the Foreign Investment Law of 1996 and the 1999 Enterprise Law.

In order to expand economic co-operation with foreign countries and to make contribution to the modernization, industrialization and development of the national economy on the basis of the efficient exploitation and utilization of national resources, and in accordance with Vietnam's Constitution, the new Investment Law will cohere with international and World Trade Organization standards to ease the transition from a command economy to a market economy.

When you glance at Articles 1 to 5, the State of Vietnam is not only encouraging foreign investors to invest in Vietnam, but also encouraging Vietnam's offshore investments. Successful Vietnam's businesses should also contribute to the growth of the common goals. The State will implement international treaties concerning investment, and, if an international treaty of which the Socialist Republic of Vietnam is a member contains provisions, which are different from the provisions of Vietnam's laws, the provisions of such international treaty shall prevail. This is an avant-garde legislature.

Article 6 guarantees that lawful assets and invested capital of investors shall not be nationalized, or confiscated by administrative measures, Vietnam also ensures the lawful interests of investors based on non-discrimination.

Regarding intellectual property rights, Vietnam follows the standards of the World Intellectual Property Organization, WIPO, and we are member of different international treaties, such as TRIPS, Madrid, Berne, and Nice.

Any dispute relating to investment activities shall be resolved through negotiation and conciliation. However, Article 12 stipulates one of the following tribunals and organizations shall resolve that dispute: (a) a Vietnamese court, (b) a Vietnamese arbitration body, (c) a foreign arbitration body, (d) an International arbitration body, or (e) an Arbitration tribunal established pursuant to the agreement of the disputing parties. We all have the right to chose.

Vietnam is trying its best to be part of the globalization process. With the passing of the new Investment Law, Chapter 3, Rights and Obligations of Investors, more rights are given to foreign investors. Article 18 guarantees that an enterprise having an investment project shall be permitted to mortgage land use rights and assets attached to the land with credit institutions in order to borrow capital for implementation of the project. The new Investment Law has 10 Chapters with 89 Articles, all geared towards liberalities efforts of our Government, adopting and enhancing international, regional, and bilateral trade agreements.

In addition to the new Law on Investment, the new Law on Enterprises contains 10 Chapters and 172 Articles. Legislature XI of the National Assembly of the Socialist Republic of Vietnam passed this Law at its 8th session on November 29, 2005.

The Law on Enterprises provides provisions for the establishment, management, and operation of Limited Liability Companies, Shareholding Companies, and Partnerships in all economic sectors. In our humble opinion, the most distinctive change is the promulgation of Vietnam's Corporate Law, ensuring the equality of enterprises before the Law, regardless of their form of ownership. Also, Article 13, - regarding Establishment and Business Registration -, State bodies, units of the People's Armed

Forces of Vietnam using State assets, State officials and employees, shall not have the right to establish and manage new enterprises in Vietnam. Our Government is encouraging the growth of the private sector, and we always welcome and facilitate “Open Dialogue”. The new Law also encompasses Consolidation and Mergers.

Because of time constraint, I will not be able to go into the details of the new Laws; you may obtain information on how to obtain the comprehensive publication in both Vietnamese and English version. Both Laws will be effective as of July 2006.

“A thousand-mile journey begins with a single step”, and, you are helping us with many steps in changing the legal structure of Vietnam’s system, to be part of the global mainstream. Please accept our appreciation.

Finally, it is a great honor for us to participate at this essential conference. We will always welcome your comments, and we appreciate your co-operation and guidance, so that IBLA Academy can efficiently contribute to the common growth of the region. Again, on behalf of IBLA, thank you, we wish you a good health and happiness.