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Restrictions on stakeholding by foreign investors

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Mergers and acquisitions have been predicted to accelerate in Vietnam, particularly in the banking, finance, consumer products, apparel, and retail sectors.

However, together with increasing M&A activities, conflicting provisions in legislation relating to investment, enterprises and securities have recently created difficulties for M&A activities. As a result, much implementing legislation has been issued and is soon to be issued in an effort by the government to have a clear, adequate and transparent legal framework for M&A activities in Vietnam.

Under current law, investors are allowed to contribute capital to, and purchase shares from, companies in Vietnam with or without participation in the management of investment activities, except in the case of prohibited economic concentrations (those which are contrary to Vietnam's antitrust legislation).

However, there are separate restrictions applicable to foreign investors only, including restrictions on foreign equity in Vietnamese companies. In particular, upon contributing capital or purchasing shares, foreign investors are subject to the following cap on foreign equity:

- the cap on stakeholdings by foreign investors in listed companies is subject to the provisions of the Securities Law;
- the cap on stakeholdings by foreign investors in trading service enterprises is subject to the Protocol on the Accession of Vietnam to the World Trade Organization (WTO);
- the cap on stakeholdings by foreign investors in enterprises engaging in certain business activities (banking, oil and gas, aviation, publication, education, securities,

insurance, law), and other specific requirements are subject to specific laws governing the relevant sector; and

- the cap on stakeholdings by foreign investors in equitized state companies is subject to specific decisions on equitization.

Listed Vietnamese companies

The total shares held by foreign investors in a listed non-banking enterprise may not exceed 49% of the enterprise's total shares.

The State Securities Commission further advises that foreign investors are allowed to hold up to 49% of the amount of the additional share and investment certificates issued of enterprises listed on a domestic securities trading centre.

In addition, any foreign securities investment company or foreign securities investment fund which is a legal entity and which wishes to invest in Vietnam must undertake its investment and manage its investment capital through an entrusted domestic fund management company or its branch in Vietnam.

Trading service companies

Under the Schedule of Specific Commitments in relation to market access for trade in services, which Vietnam has made on its accession to the WTO, initially the total equity held by foreign investors in each Vietnamese enterprise may not exceed 30% of the enterprise's chartered capital.

One year after accession (i.e. after January 11 2008), the 30% foreign equity limitation for acquisition of Vietnamese enterprises shall be eliminated (i.e. it should be possible to acquire 100% of the charter capital of a Vietnamese company), except for a capital contribution in the form of purchasing shares in commercial joint-stock banks, and except for the sectors for which no commitments have been made as specified in the Schedule. For the other sectors and sub-sectors for which commitments have been specified in the Schedule, the level of equity held by foreign investors for the acquisition of Vietnamese enterprises shall

correspond to the limitations on foreign capital participation set forth therein, if any, including limitations in the form of transitional periods, where applicable.

Accordingly, specific restrictions shall be subject to the scope of activities of the Vietnamese enterprises, but shall be initially 30% foreign equity for the first year subsequent to WTO accession by Vietnam (i.e. up until January 11 2008).

Foreign ownership restrictions in specific businesses

Commercial banks

Total foreign holdings in a Vietnamese bank will continue to be capped at 30% of the charter capital of such Vietnamese bank, of which:

- a foreign strategic investor being a foreign credit institution and affiliated persons of such foreign strategic investor can acquire up to 15%;
- an investor being a foreign credit institution and affiliated persons of such foreign credit institution can acquire up to 10%; and
- a foreign investor not being a foreign credit institution and affiliated persons of such foreign investor can acquire up to 5%.

The total level of shareholding of all foreign investors (including existing foreign shareholders) and affiliated persons of such foreign investors remains capped at 30% of the charter capital of a Vietnamese bank even if the Vietnamese bank is listed.

Further, a foreign investor being a foreign credit institution purchasing shares in a Vietnamese bank must satisfy certain criteria. For example, the minimum total assets in the year prior to the year of registration of the acquisition must be equivalent to at least \$20 billion.

Shipping agencies

The total equity held by foreign investors in an enterprise undertaking shipping agency services may not exceed 30% of the enterprise's chartered capital.

Real estate

The permitted scope of real-estate business activities applicable to foreign investors establishing an enterprise undertaking real-estate business in Vietnam is more limited than to domestic investors. For example domestic investors, but not foreign investors, are allowed to purchase houses and buildings for sale, lease out or grant of hire purchase. Therefore, upon contributing capital or purchasing shares, foreign investors would also be subject to such limitations on the permitted scope of business activities.

Banking and finance

Recommended firms	
Tier 1	Allens Arthur Robinson Baker & McKenzie Freshfields Bruckhaus Deringer Johnson Stokes & Master YKVN
Tier 2	Frasers Law Company Gide Loyrette Nouel Vilaf-Hong Duc
Tier 3	Flécheux Ngo & Associés Vietbid Law Firm Vision & Associates

Mergers and acquisitions

Recommended firms	
Tier 1	Allens Arthur Robinson Baker & McKenzie Freshfields Bruckhaus Deringer
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Tier 3	Flécheux Ngo & Associés InvestConsul Vietbid Law Firm Vision & Associates

With a population of 82 million and a median age of 25, Vietnam is a vibrant, young nation which is suddenly gaining tremendous attention from the corporate world. Poised for rapid development and significant economic

engagement with the Asian and international markets, the country's accession to the WTO has appeared to give new investors the green light to explore a variety of business options in the country.

State equitization (privatization) is receiving serious attention while Vietnam primes itself for an influx of foreign investors and a rush of takeover activity. Law firms have been inundated with assignments, signalling more work to come. But much of this is preparatory work in relation to advising prospective investors and existing businesses on foreign ownership issues, the new enterprise and investment law, regulatory compliance and business registration. In the words of one lawyer: "Vietnam is attractive because of its geographic proximity to China. China is over-heated so investors are looking to move their facilities to Vietnam, or they're expanding from China into Vietnam".

The lawyer continued: "Vietnam is seen as a new and more reliable manufacturing space and the country's WTO accession is also raising new hopes for a market opening. The economy is seeing a very steady annual growth rate of eight to 12 percent and this is contributing to the growth of the stock market."

The entrance of international firms Allens Arthur Robinson and Duane Morris brings a new dynamic to the market, adding more competition but also potentially depleting the local firms of qualified professionals. This has led to a bout of aggressive recruitment as firms seek to expand their resources and capabilities.

Nevertheless, lawyers are excited about the blossoming market in Vietnam. The overwhelming opportunities for development, infrastructure, manufacturing, and tourism are important features drawing investors in, while the country's political stability is another reassuring factor for prospective entrepreneurs. Lawyers are anticipating a growing innovation and sophistication on deal structures, which is an inevitable product of a prospering market.

Although firms are currently set up as one-stop shops, many predict the eventual division of firms into specialist areas to cater for more diverse and complex capital markets, general corporate and banking transactions. Lawyers and investors alike have big dreams for the country and are eagerly anticipating a burst of activity across practice areas and industries over the next few years. But as one partner said: "Vietnam will always be the gnat on the elephant's back."

Allens Arthur Robinson

Allens Arthur Robinson finds an exceptionally easy entrance into Vietnam, simultaneously

securing its place in tier one in the banking and project finance and financial and corporate categories. The firm is Vietnam's newest player and was built by some of the market's most experienced veterans. Commencing operations on January 1 2007, the firm became a haven for expert lawyers such as Bill Magennis and Nigel Russell, who left Phillips Fox along with an entire team including several associates following the firm's merger with DLA Piper. Both Magennis and Russell have worked in Vietnam since 1993, advising clients on all aspects of doing business and investing in the country. Russell is based in Ho Chi Minh City, and specializes in property development, infrastructure and manufacturing projects. Magennis is based in Hanoi and has expertise in energy, resources, financing, construction, corporate and banking transactions.

After successfully adopting such high-profile lawyers, it comes as no surprise that although Allens Arthur Robinson has only recently established its presence in Vietnam, it is cruising along smoothly. The firm served as counsel to clients such as BP, BlueScope Steel and Keppel Land and holds member positions at the American Chamber of Commerce in Vietnam, the RMIT Vietnam Advisory Board and the Law Institute of Victoria – meaning Magennis and Russell are certain to secure for the firm some of the best roles on offer in the market.

Leading lawyers

Bill Magennis
Nigel Russell

Baker & McKenzie

Baker & McKenzie's practice is headed by talented managing partner Fred Burke. The firm is a popular choice for foreign investors in search of advice that takes into consideration both international and local perspectives. The firm practises from its offices in Hanoi and Ho Chi Minh City, which were established in 1994. More than 35 lawyers and other fee-earners advise clients on Vietnam's evolving legal system and economy, offering assistance on a broad range of commercial matters in Vietnam and globally.

One of the firm's unique features has been its appointment since 2001 as lead legal adviser to the US Agency for International Development-funded Star project, which involves working with more than 42 counterpart ministries and the National Assembly on new laws and decrees implementing Vietnam's landmark bilateral trade agreement with the US and its WTO accession.

One of the firm's greatest strengths lies in its banking competencies and the regularity of

its mandates in relation to syndicated loans and limited non-recourse project finance. The firm has served as counsel to clients such as JPMorgan, Standard Chartered, Goldman Sachs, Morgan Stanley, ANZ, SMBC Capital Markets, DBS, Mizuho Corporate Bank, Citibank, Wachovia Bank, Calyon, State Street Bank and JBIC.

Recently the firm advised on a \$300 million loan to part-finance the construction of the country's first oil refinery in the Dung Quat economic zone, in the centre of the country. Dung Quat will cost \$2.5 billion to build and is expected to begin operations in early 2009. Meanwhile, the firm led by Fred Burke, Seck Yee Chung and Nguyen Hoang Kim Oanh acted for United Overseas Bank as lead arranger of a consortium issuing a construction loan to the Paragon Project, a real-estate development in Saigon South.

Since capital markets transactions are in their nascent stages in the country, the firm's work in this area has been largely an advisory one, which promises to incorporate transactional elements in the near future. Fred Burke and Nguyen Hoang Kim Oanh provide advice to a range of investment banks on derivatives and securities, and the firm provides opinions to the International Swaps and Derivatives Association (Isda) in relation to domestic, cross-border and offshore derivative products.

The firm is best known for its work in the corporate and commercial sector and has advised private-equity houses, telecoms operators, insurance companies, investment banks and real-estate companies on their joint ventures, takeovers and divestments. Some highlights from this year include assisting Qantas in the finalization of its acquisition of a 30% stake in Pacific Airlines. The latter, a Vietnamese airline, will be restructured into a low-cost carrier under a business plan jointly developed by Qantas, Pacific Airlines and the State Capital Investment Corporation, as part of Vietnam's equitization programme. It is also the first foreign investment in a Vietnamese air carrier and SCIC's first deal involving foreign strategic investors. Other achievements include advising on the establishment of a wholly foreign-owned \$90 million waste management project for California Waste Solution in Ho Chi Minh City.

In addition to these practice areas the firm offers advice in relation to dispute resolution, tax, technology and communication, intellectual property, real estate and construction, and employment.

Leading lawyers

Fred Burke
Nguyen Hoang Kim Oanh

Flécheux Ngo & Associés

Established in 1993, Flécheux Ngo & Associés has steadily built its reputation to become a respected firm in Vietnam. In collaboration with Vietnamese law firms, Flécheux advises a wide range of international companies and the Vietnamese authorities with respect to regulations concerning various aspects of foreign investments in the country. In addition, the firm has represented its clients in various litigations, especially before the arbitration courts. The firm's main areas of activity include healthcare, agribusiness, energy, telecoms, tourism, infrastructure projects and manufacturing.

The firm is a member of the Alliance of Business Lawyers, which consists of 22 small to medium sized independent business law firms, spanning 16 jurisdictions. Its active participation in the network allows the firm closer links with the European market in particular.

Flécheux Ngo & Associates has offices in both Hanoi and Ho Chi Minh City, and its clients include electronics, software and telecoms, insurance, cosmetics, media, construction, energy, environment and health companies.

At the time of writing, the firm was undergoing a process to change its name from Flécheux Ngo & Associés to Ngo Miguérès & Associés following the departure of one its name partners. The firm's new name is officially expected to change before the end of 2008.

Leading lawyers

Pierre Anglés d'Auric

Frasers Law Company

With one of the largest multilingual teams of foreign and Vietnamese lawyers, Frasers provides legal advice in relation to both international and Vietnamese law. Headed by experienced partner Mark Fraser, the firm is an associated office of Australian law firm Freehills, which has been advising clients in Vietnam since 1989.

The firm has found particular success in the area of project finance, winning many deals in the infrastructure and energy sectors. Examples of the firm's work include acting for RMIT University on offshore loans from the International Finance Corporation (IFC) and the Asian Development Bank (ADB) for the construction of RMIT's new campus in Ho Chi Minh City and Hanoi. Elsewhere, the firm received an instruction to advise Olympus Pacific in relation to the financing of a gold mine project in Bong Mieu in the Quang Nam province, and assisted Japan Bank for International Cooperation on the

Vietnam law aspects of a foreign loan financing to a Vietnamese joint-stock company in the cement sector. The firm also represented ADB, IFC, and Proparco in relation to the \$40 million restructuring of the debt and equity arrangements of the Franco-Vietnamese Hospital – the first large international hospital in Ho Chi Minh City.

In a bid for qualified professionals, the firm has grown its operations with the addition of six new associates including Bui Khuong Diem Hoan and Delphine Constantin, who strengthen the firm's corporate practice. The firm was offered roles on some interesting deals such as the divestment of Foster's breweries in Vietnam to Asia Pacific Breweries. Led by Luu Thi Xuan Trang, the deal was the largest transaction in the country in 2006.

Meanwhile, Mark Fraser led his team in advising a European investment bank in relation to the acquisition by its private-equity fund of unlisted Vietnamese companies within the financial, agro-business, branded consumer goods, packaging materials and retail sectors. Other accomplishments include representing a leading German pharmaceutical manufacturer in its proposed 40% equity acquisition of a Vietnamese entity for the production, trading, research and development of pharmaceutical products in Vietnam and for consumption in the southeast Asian and European markets.

The firm's excellent client relationships have enabled it to win appointments to represent foreign companies such as Sojitz, Linde Gas and Cooperative Bulk Handling. The firm won a number of other M&A assignments this year, including for a Spanish design company in relation to the buyout of its local partner and a French company for the acquisition of a Vietnamese manufacturing company producing luxury accessories for export. The practice also guided a global media group in connection with its proposed acquisition in a Vietnamese media company and a New Zealand seafood processing enterprise with respect to the potential acquisition of a 40% stake in a Vietnamese seafood processing company.

Leading lawyers

Mark Fraser

Freshfields Bruckhaus Deringer

While some of the firm's other Asian offices have hit troubled times, Freshfields' flourishing Vietnam practice has lived up to its true potential. Unmatched in Vietnam, Freshfields Bruckhaus Deringer has been described by peers as having "a natural monopoly for international and high-end work". The firm's activ-

ity in the market this year is a testament to this.

One of the largest firms in the country, Freshfields has offices in both Hanoi and Ho Chi Minh City and concentrates on inward investment, banking, asset and project finance, commercial and corporate matters, capital markets, construction and property development, litigation and arbitration and intellectual property issues.

The firm's banking credentials are unrivalled, with an enviable roster of clients including the Bank of America, HSBC, Société Générale, Sumitomo Mitsui Banking Corporation, Barclays Capital, Citibank, United Overseas Bank, International Finance Corporation and BNP Paribas. This year the firm adds Standard Chartered, Mizuho Bank and Nederlandse Financierings-Maatschappij Yoor Ontwikkelingslanden to this list. Jan Johansson was the driving force behind the new mandates, successfully advising the parties on a series of bilateral and syndicated loans worth up to \$25 million. The firm's banking strengths naturally equip the firm for success in project finance, enabling the team to secure roles for the financing of several power, port and infrastructure projects.

Some of the firm's most notable recent achievements include an instruction to advise AES Corporation in relation to the development of the 1000-1200MW coal-fired Mong Duong 2 power plant in Quang Ninh. Led by managing partner Tony Foster, the firm is also handling the project financing for the Nui Phao Mining project, representing a syndicate of banks including Bayerische Hypo- und Vereinsbank, Fortis and Standard Chartered. Other deals include advising Chevron on the \$1 billion development of the South West Gas Power project and assisting Maersk Singapore on the establishment of a new container port.

The addition of new associates from rival firms provides Freshfields with even greater leverage in a market starved of quality lawyers. The corporate team is joined by Vu Le Trung from Vilaf-Hong Duc, Hoang Thi Thanh Thuy from Lucy Wayne & Associates, as well as Duong Nguyen Y Linh from Frasers Law Company. The trio joins a team of talented professionals who recently scored a role in advising Texas Pacific Group and Intel Capital in relation to their acquisition as strategic partners of an interest in IT telecoms and distribution group FPT Corporation. Other activities saw the firm advise on the potential sale of Pacific Airlines to a foreign investor and assist Deutsche Bank in relation to an acquisition of a 20% interest in Habubank, a local joint-stock bank. The firm has been extremely active in advising a range of other clients in the insurance and financial services industry in a similar capacity.

Freshfields further demonstrated its corporate flair by acting on a number of capital markets offerings, which have only recently begun to enter the market. In a landmark transaction led by Tony Foster and Mara Folz, the firm acted as counsel to Deutsche Bank as financial advisor to Electricity of Vietnam, on the issuance of D1 trillion (\$61 million) 10-year senior unsecured notes. This transaction was the first offering to provide investors outside Vietnam with access and exposure to a Vietnamese corporate in the local currency. The team is also advising a number of other financial institutions on the issuance of confidential dong-denominated corporate bonds.

The firm's appointments in the equities market were also promising. Mara Folz spearheaded a deal advising Prudential Asset Management on the \$300 million private placement of shares in the Vietnam segregated portfolio of PCA International Funds, as well as their subsequent listing on the Irish Stock Exchange. Together with Tony Foster, the duo also acted as counsel to Credit Suisse as sole global coordinator and bookrunner for the \$450 million private placement of shares for Indochina Capital Vietnam Holdings. The shares were listed on the London Stock Exchange, marking the first Vietnam-focused investment company to list on the exchange.

The firm's domination of the market is undisputed. "Freshfields has the best experience in Vietnam. We would certainly like to work with them again," said one client. "I think Tony Foster is one of the most experienced partners and he's always on top of the latest legislations and changes in Vietnam."

The client continued: "In general we have a great deal of confidence in any legal advice we obtain from them. We don't feel the need to cross-check their advice or get a second opinion."

Leading lawyers

Mara Folz
Tony Foster

Gide Loyrette Nouel

In 1996, Gide Loyrette Nouel was the first French law firm licensed to establish a formal branch office by the Vietnamese Ministry of Justice. Since then the firm has established a solid reputation in the market, working actively for foreign investors and local government departments and agencies on a variety of corporate financial matters. With operations in Hanoi and Ho Chi Minh City, the firm has grown under the direction of partner Nicolas Audier, who is regularly appointed by international organizations such as the United Nations Development Programme to advise

on the drafting of laws and regulations in Vietnam.

With a combination of local insight and support from its network worldwide, Gide Loyrette Nouel is in a good position to advise on both local and cross-border deals. In the past the firm's clients have included the World Bank, the Asian Development Bank, the European Delegation in Vietnam and the French government. The firm has also served as counsel to commercial and investment banks, and corporate clients.

Gide holds an excellent record for M&A work, assisting clients on various mergers, acquisitions and divestments of their businesses. A recent mandate saw the firm advise Morgan Stanley Japan Securities on the purchase of the Vietnamese government bonds on a proprietary basis, as well as the implementation of a total return swap. Nicolas Audier later led a deal for CICA, advising the shareholders of two companies established in Guernsey and in Vietnam on all the local legal aspects and implications of the takeover of a distribution network in Vietnam. Another standout deal saw the firm assist Sanofi-Aventis on the restructuring of all its corporate entities in Vietnam following the worldwide merger of Sanofi-Synthelabo and Aventis.

The firm's proficiency in handling banking law, capital markets transactions, securities matters and foreign-exchange control regulations should also be noted.

Gide prides itself on its track record in securing loan facilities for projects and remains a solid choice for such advice. For example, the team has advised Apple Tree group in all of its real-estate development projects which include the construction of several office and housing buildings and shopping centres throughout Vietnam. In addition, the firm has served as counsel to Archipel on a number of real-estate project developments. On less commercial developments, the firm has acted for a consortium comprising EDF International, Sumitomo Corporation and TEPCI on its 700MW gas-fired power plant; represented Citelum on the installation of a street lighting system in Ho Chi Minh City; and guided Lafarge on the establishment of its cement plant in Vietnam.

The firm's extensive list of clients also includes Groupe Casino, Nexity-Hilton, Sumitomo Corporation, Vincom, L'Oreal, BNP Paribas, Accor, Bayard Presse, Vinci, Sigmakalon and Alcatel.

Leading lawyers

Nicolas Audier

Johnson Stokes & Master

Johnson Stokes & Master is a widely recommended firm in Vietnam, and has had an exceptional year, advising on a range of deals encompassing project finance, debt market offerings, mergers and acquisitions and regulatory compliance. The firm not only prides itself on the merits of its team members, but also on its accomplishments across practice areas in a market that is only beginning its launch. The firm's success is attributed to lawyers such as Nguyen Suong Dao, who is seen by peers as "a very good lawyer who has made a name for herself".

Johnson Stokes & Master already has a footprint in capital markets transactions, having advised on a number of bond offerings in the slowly developing market. Some of its key mandates this year include advising HSBC on the D2 trillion Tier II bond offering by the Bank for Investment and Development of Vietnam. In addition, Dao Nguyen and recently promoted partner Hoang Anh Nguyen provided advice on the listing of the bonds on the Ho Chi Minh City Stock Trading Centre to ensure efficient trading in the secondary market.

The duo handled a series of other deals including the D1 trillion bond offering by Electricity of Vietnam. The firm advised HSBC on the bonds which will mature in 2016. Johnson Stokes & Master was also mandated by Deutsche Bank on two occasions: for the D3 trillion bond issuance by state-owned ship-building corporation Vinashin, and subsequently for the D1 trillion bond issuance by Lilama.

The firm scored a series of deals on the project finance side, including assisting a Korean bank on a syndicated loan for a project and acting for a consortium of developers for the construction of a 700MW power plant. Dao Nguyen and Hoang Anh Nguyen also acted as counsel to Vinacom in the development of a 1,100MW coal-fired power plant in a joint venture with AES. In addition, the firm is acting for a Korean developer in relation to a proposed \$340 million road project. The practice is a trusted adviser for regulatory compliance issues, and is engaged in providing guidance to banks such as Calyon, HSBC, Chinatrust Commercial Bank, ANZ and Far East National Bank on their operations in Vietnam.

Johnson Stokes & Master enjoyed an equally busy year on the M&A front. A look at the firm's achievements indicates its strength in the real estate, food manufacturing and retail industries. Its most notable assignments came with roles advising a chemical solvent distributor on its takeover of a Vietnamese company, and guiding a Korean

developer in its \$223 million acquisition of an interest in a Vietnamese company.

Leading lawyers

Nguyen Suong Dao
Hoang Anh Nguyen

Vietbid Law Firm

Vietbid Law Firm was formed in early 1994 by a group of young professional consultants who previously worked for various consulting firms, government and private institutions. With experience in both the public and private sectors, Vietbid is well positioned to provide a holistic perspective in its advice to clients. As such, the firm focuses on the expansion of existing businesses in Vietnam in relation to business restructuring, labour issues, loans, financing, and the collection of receivables. The team is closely engaged in legal and policy studies for the State of Vietnam and initiatives for legislative reform and business policy. This includes conducting a number of studies for the Ministry of Trade, the Ministry of Planning and Investment, the UNDP, the World Bank and the State Bank of Vietnam.

Although the firm specializes in infrastructure projects, it also handles mergers and acquisitions, taxation issues, banking and finance and telecoms assignments. Vietbid recently advised the Vietnam Electricity on ownership and financing options for the Se San 3 hydropower plant and acted for a Japanese telecoms company on the establishment of a joint-venture company for the production of a digital electronic exchange system. Additionally, Vietbid represented the Ministry of Industry and Electricity of Vietnam in the negotiation with an American power company on a 500MW build-operate-transfer project.

Vietbid focuses mainly on domestic transactions under the leadership of partner Nguyen Thanh Ha, an accomplished practitioner who has worked on several significant banking, project and acquisition deals.

Leading lawyers

Nguyen Thanh Ha

Vilaf-Hong Duc

Vilaf-Hong Duc continues its success in the legal market this year after being awarded *IFLR's* award for the national law firm of the year in Vietnam for a second consecutive year. Composed of 40 lawyers operating between Hanoi and Ho Chi Minh City, the firm offers the full range of corporate advice, emphasizing banking and finance, commercial transac-

tions, M&A, dispute resolution and project finance.

The firm advises numerous foreign banks on regulatory aspects of domestic banking including reviewing, drafting and negotiating loan facilities and security arrangements for various clients. A quick glance at the firm's former mandates reveals international names such as Citibank, BNP Paribas, Mizuho, Standard Chartered and ANZ. In a market where high-yielding deals have been rare, Vilaf has been able to win a regular flow of transactions valued above \$100 million. One example of this came with the firm's appointment as local counsel to Raiffeisen Zentralbank Österreich on its \$200 million loan to the Bank for Investment and Development of Vietnam (BIDV) in Singapore. Other such transactions include the \$100 million loan from Sumitomo Mitsubishi Banking Corporation to PetroVietnam, where the firm advised the lender.

On the projects front, the firm has been involved in a large financing for the Nuiphao mining project and won a role acting for the Vietnam Bank for Agricultural and Rural Development in relation to a syndicated loan for the financing of the Sesan Hydro Power Plant. Managing partner Tran Anh Duc was an instrumental figure on these deals and is described by peers as "a very smart and talented lawyer who is young, yet mature and persuasive".

Taking advantage of the stream of M&A activities, the firm has also won a mandate on VinaCapital's \$22 million buyout of a five-star hotel in Ho Chi Minh City, for which the firm represented the acquirer. Meanwhile, consolidation in the insurance sector saw Dang Duong Anh advise the State Capital Investment Corporation and life insurance company Bao Minh Company in the sale of its whole equity capital to Dai-ichi Mutual Life Insurance Company.

The firm's continuing work includes advising Vodafone as Vietnamese counsel on the privatization of its business in Vietnam and advising Morgan Stanley on Vietnamese laws in relation to securities issues and derivatives transactions.

Leading lawyers

Tran Anh Duc
Tran Tuan Phong

YKVN

With two closely integrated offices in Hanoi and Ho Chi Minh City, YKVN proves its consistency in the market after securing a string of interesting assignments this year. The firm's appeal emerges largely from the experi-

ence of its founders, who have all received training from international law firm White & Case. The firm's ability to understand the needs of clients operating globally, coupled with its domestic legal knowledge, provides a steady flow of appointments from both local and international entities.

One of the firm's more significant instructions in the banking sector came with acting as counsel to a syndicate of the four state-owned banks on an \$80 million construction financing of the Financial Tower – a 70-storey building developed by private company Bitexco in Vietnam. On another development programme, the firm served as Vietnamese counsel to Vietnam Shipbuilding Corporation Vinashin, in connection with a loan facility arranged by Credit Suisse for the former's shipbuilding programme. In addition, YKVN was mandated by Vietnam Airlines to act as Vietnamese counsel in the ECA-backed financing of 10 Airbus A321 aircrafts purchased from Airbus.

Enhancing its banking and finance credentials, the firm has regularly advised clients such as Citibank, BIDV and UBS on private banking products, regulatory and compliance issues, negotiations with Isda, and asset and fund management.

Former clients speak very well of their time working with the firm. "They were very good, and gave me a prompt response which was very clear. There was no need for me to go back and forth to seek additional clarifications so it was a good experience," said one client.

The client continued: "I worked with Truong Nhat Quang and his team although I'd never met any of them. I needed an urgent response, and it was my first transaction with them, so it was great that they delivered on time, even though we didn't have prior relations with them."

Performing equally well on the projects side, a sample of the firm's deals reveals its leverage in a small but competitive market. Recent assignments saw the firm act for a syndicate of banks in relation to the \$527 million financing of the Dong Nai 3-4 Power Plant, sponsored by Vietnam Electricity. Vu Dzung led the firm when it was appointed as counsel to China Southern Power Grid International and China Power International Development in the development and financing of the 1,200MW Binh Thuan build-operate-transfer coal-fired power plant expected to be worth \$1 billion. Other work finds Duong Thu Ha, Vu Dzung and their team engaged in advising two syndicates on the financing of the Sekaman 3 Power Plant in Laos, and the construction of the An Khe-Kanak Power Plant – both valued above \$230 million.

In addition to providing quality work, the firm has been known to handle a high num-

ber of deals. In the M&A market, the firm has acted as counsel to some of the world's largest financial groups, as well as multinational companies such as Procter & Gamble and investment funds such as Mekong Capital.

A pioneer in the country's capital markets, YKVN has seen an exceptional year of opportunities to act on equity offerings. Examples of its achievements include acting as Vietnamese law counsel to Credit Suisse as sole bookrunner for the placing of a Vietnam-focused international real-estate fund on London's Alternative Investment Market. On another noteworthy UK deal, YKVN acted as Vietnamese law counsel to Indochina Capital Vietnam Holdings in relation to its \$500 million listing on the main board of the LSE.

At the time of writing, the firm had received an appointment as Vietnamese counsel to joint lead managers Barclays, Citigroup and Deutsche Bank for the Rule 144A/Regulation S sovereign bond of Vietnam. This issue is expected to raise \$1 billion and close by the end of 2007.

Leading lawyers

Vu Dzung
Diep Hoai Nam
Truong Nhat Quang