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Recent changes in Vietnamese financial regulations

Mark Fraser
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Issuance of international bonds

On June 4 2009, the Government issued Decree No. 53/2009/ND-CP, relating to the issuance of international bonds (Decree 53).

Decree 53 defines international bonds as interest-bearing loan certificates with fixed terms and par value, which are used for the purpose of raising capital from international capital markets in order to finance the demands of business development. Pursuant to Decree 53, there are two types of international bonds including international corporate bonds and international government bonds.

International corporate bonds

According to Decree 53, enterprises are entitled to issue the following types of international corporate bonds:

- (i) corporate bonds with a Government guarantee; and
- (ii) corporate bonds without a Government guarantee.

Decree 53 provides that an enterprise wishing to issue international bonds is required to satisfy the following conditions:

- (i) it must be incorporated and be operating in accordance with the laws of Vietnam;
- (ii) the proposed bond issuance must be assessed and approved by the relevant government authority;
- (iii) the value of the bonds to be issued must be consistent with the overall quota for national foreign commercial loans, to be confirmed in writing by the State Bank of Vietnam within 15 business days from the

date of receiving the proposed issuer's request for approval;

(iv) the project to be funded by the proposed bond issuance must be considered to be of national importance, or be a project which has been assessed to be an efficient project that has complied with all investment procedures required at law (in this regard, we note that Decree 53 contains no provisions specifying which authorities are empowered to assess the efficiency of the relevant investment project);

(v) the proposed issuing enterprise must comply with the law relating to convertible bonds or secured bonds, if applicable;

(vi) the proposed issuing enterprise must satisfy the requirements of the international capital markets relating to credit ratings (where credit ratings are required); and

(vii) the proposed issuing enterprise must follow the prescribed issuance procedure in respect of each stage of the proposed issuance, in accordance with the requirements of both foreign and Vietnamese laws.

Decree 53 specifies that government guarantees in respect of the issuance of corporate international bonds will only be granted for enterprises which urgently require capital for implementing State investment projects, but are not in a position to be able to issue international bonds of their own accord without government-provided security. In addition, applicants for government guarantees must comply with the following conditions:

- (i) the issuing enterprise must obtain the approval of the prime minister in respect of the proposed bond issuance;
- (ii) the issuing enterprise must have an international credit rating being the equivalent to or one level lower than the national credit rating;
- (iii) the issuing enterprise's audited financial reports of the three most recent financial years must evidence that the enter-

prise has not suffered business losses, nor have any overdue loans;

(iv) the issuing enterprise must comply with the Regulations on Issuance and Management of Guarantees in respect of Foreign Loans; and

(v) the value of each bond issuance stage must be less than \$100 million.

The issuance of international bonds may be implemented only after the proposed issuance project is approved by the relevant Government authorities. Decree 53 specifies the following implementation steps:

- (i) selection of a bank(s) to guarantee the issuance;
- (ii) selection of professional legal advisors;
- (iii) completion of all necessary issuance documentation;
- (iv) assessment of the proposed issuer's credit rating;
- (v) advertising and carrying out of the issuance; and
- (vi) finalising the financial transactions arising from the issuance.

Once the international bonds have been issued, during the period of payment for the issued bonds and prior to the closing date, the issuing enterprise must register its foreign loans with the State Bank of Vietnam.

Further, issuing enterprises must open a loan capital account in order to receive the payment for issued bonds, and must return the loan principal plus interest in accordance with the regulations on foreign currency management.

The issuance of Decree 53 will provide Vietnamese enterprises with the opportunity to source foreign funding and, potentially, lower cost of funds (as compared to VND-denominated loans), although they will obviously need to manage foreign exchange risks. It may also provide Vietnamese enterprises with a source of funds which may not necessarily impact upon the equity ownership and

voting control of such enterprises (until such time as any convertible bonds are converted into equity).

International government bonds

According to Decree 53, international government bonds shall be issued by the Ministry of Finance as authorised by the Government with the following objectives:

(i) to raise capital for investment and development in the form of re-lending to implement important State projects, investment projects with high effectiveness, which have a need for foreign currency;

(ii) to raise capital in order to restructure the list of debts managed by the government.

The Ministry of Finance shall preside over the preparation of a proposal for the issuance of international government bonds and shall submit the same to the government for its approval.

While Decree 53 specifically covers the conditions with respect to the issuance of international corporate bonds, it is silent on the conditions to issue international government bonds as well as to re-lend the capital raised from such bonds. Shortly after the enactment of Decree 53, the Vietnamese National Assembly passed Law No. 29/2009/QH12 (Law 29) on public debt management. Under Law 29, in order to obtain permission for issuing international government bonds, further conditions shall apply, including:

(i) programs and projects using funds from the issuance of international bonds are considered as key national projects; effective investment programs and projects having completed investment procedures under the Investment Law and other relevant laws;

(ii) bond issues must satisfy the conditions specified in the Government's resolution on the issuance of international bonds;

(iii) legal dossiers for an international bond issue have been completed in accordance with the laws of Vietnam and international practice; and

(iv) relevant international market conditions are favourable.

Law 29 also provides for the circumstances in which an enterprise, or a credit or financial institution, may be allowed to re-lend capital from international government bonds, which generally includes the financial capacity of such enterprise and institution, importance and effectiveness of the proposed project, and approval required for the proposed project.

Banking and capital markets

Recommended firms

Tier 1
Allens Arthur Robinson Freshfields Bruckhaus Deringer YKVN
Tier 2
Baker & McKenzie Frasers Law Company Mayer Brown JSM Vilaf-Hong Duc
Tier 3
Audier & Partners Gide Loyrette Nouel Russin & Vecchi Vietbid Vision & Associates

Mergers and acquisitions

Recommended firms

Tier 1
Allens Arthur Robinson Baker & McKenzie Freshfields Bruckhaus Deringer Vilaf-Hong Duc YKVN
Tier 2
Frasers Law Company Mayer Brown JSM
Tier 3
InvestConsult Group Russin & Vecchi Vietbid Vision & Associates

Project finance

Recommended firms

Tier 1
Freshfields Bruckhaus Deringer YKVN
Tier 2
Allens Arthur Robinson Baker & McKenzie Mayer Brown JSM Vilaf-Hong Duc

The economy of Vietnam is a story of change, challenge and immense potential. On the one hand, the developing country is still feeling the remnants of the worldwide financial recession with skyrocketing inflation rates and declining exports, which prompted the government to lower interest rates for such businesses to fuel credit growth. The nation's 5.3% GDP growth in 2009 was also the lowest in recent history.

"There is still a slowdown and a long way for the economy to become normal again," notes one lawyer. "The level of committed capital dropped significantly."

"The economy is better than in 2009, but there's problems," says another legal practitioner. "We still import more than export. The government is trying to cut imports and push state-owned enterprises to be more effective in order to cut the budget deficit."

On the other hand, commentators have noticed a steady comeback in certain sectors since the beginning of the year. "Quarter one in 2010 was better than quarter one in the last two years," says one legal professional. Another commentator says, "Foreign investors are still interested in Vietnam because this is a new country. It's still a developing place, so people feel there is opportunity. High risks yield high rewards."

Riding along on the road to recovery, inbound M&A transactions drastically picked up as banks freed up money and investors poured in. "M&A transactions were just put on hold, but now they've got the green light to go again," says one lawyer. Another explains, "If you're going to manufacture, you should go to 'China plus one' countries. Malaysia and Singapore have become more expensive. Vietnam is attractive because it is easier to set up offices here."

A number of Japanese, Korean and Chinese investors interested in intra-regional expansion mobilised the sector, though outbound work remained relatively quiet. "The country doesn't have money to go outside of Vietnam yet," explains one attorney. "Approvals are needed for outbound acquisitions, but they are difficult to get. Everybody is still trying to build Vietnam."

"Financing is an issue. Vietnam has been opening up and trying to render this market more mature," adds one commentator, who goes so far as to say, "It's not China, but will be."

Further hindering the area's growth is the absence of a clear legal framework. "The problem is a few years ago, there were only straight M&A deals," says one partner. "We have to check with regulators all the time because deals are more complicated now. People never thought of these things before."

While a number of significant regulatory changes have been put on hold as the country awaits the National Congress of the Communist Party of Vietnam in January 2011, which decides critical issues for the country's development, the government has continued to promulgate revisions and amendments to existing laws guiding foreign investment in Vietnamese enterprises.

Lawyers note, however, the lingering uncertainties and clashes in the laws, particu-

larly in the distribution sector. “Regulations allow foreign investors to get into the market, but regulations also make it difficult to expand,” says one lawyer. Another adds, “There are different opinions about when foreign investment is considered more than WTO [World Trade Organisation] commitment.”

The country’s construction and real-estate sectors stayed strong with infrastructure and commercial developments. “If you’ve ever been in Vietnam, you can see cranes everywhere. Vietnam is a country of construction.” Still, some onlookers caution that the building boom isn’t without consequences. “There is a lot of residential buildings and offices, but Vietnam may have more supply than demand,” warns one attorney. “The residential market is frozen at the moment, and the commercial market may be more than what the economy can absorb.”

Despite a limited appetite in project finance as a result of insufficient funding this past year, with work coming mainly from delayed projects moving forward, Vietnam remains a sound destination for energy investments. Two significant projects in the pipeline include the export credit agency (ECA)-backed PetroVietnam Nhon Trach 2 combined cycle power plant and the build-operate-transfer (BOT) Mong Duong 2 thermal power plant developments.

In hope of encouraging growth in the projects area, legislators are also creating a comprehensive legal framework for public private partnerships (PPPs), with the Dau Giay-Phan Thiet expressway to be the first project to undergo a PPP structure. “Foreign projects are not as large-scale as a few years ago,” says one commentator. “The Vietnamese population is young and with good money for the retail market, but big money for new infrastructure and business projects are not enough.”

An influx of bond offerings have kept Vietnam’s young securities market flourishing, with a notable deal being that of Vincom Joint Stock Company’s \$100 million convertible bonds issuance and listing on the Singapore stock exchange.

“It’s not easy for Vietnamese companies to get financing, so international bond offerings provide an alternative way to get funding,” says one lawyer, who notes that the market is still at a preliminary stage and missing implementation of high-level principles. “It’s exciting that many companies want to go public.”

Some onlookers are also optimistic that debt deals will ramp up following Hoa Phat Group Joint Stock Company’s roughly \$42 million unsecured floating rate corporate issuance. Making strides to improve the environment for investment, the government issued a decree in early 2010 defining a private

placement of shares and laying out guidelines for shareholding companies to go through with the process.

Allens Arthur Robinson

“They’re one of the firms that are more expensive, but they get the job done for us,” says a client. “Nigel Russell is a good lawyer. He’s knowledgeable of Vietnamese law and has been in the country over 10 years.”

Considered one of the big international players, Allens Arthur Robinson maintains a strong presence in the country despite some peer observations of the firm’s scaling down and reduced activity in the last year. Resident partners Russell and Bill Magennis each have over a decade of work experience in Vietnam and were joined by project finance and corporate expert Thomas Miller in 2008.

Prominent foreign and domestic banks and companies trust the firm on all sorts of matters ranging from foreign investment and banking, to dispute resolution and tax. In one finance transaction, Miller is representing the Bank of Tokyo-Mitsubishi UFJ on its loans to customers in Vietnam.

On the M&A front, the firm partook in several acquisitions of local companies by foreign investors. In addition, the team is advising Nghi Son Refinery & Petroleum on all aspects of the Nghi Son Refinery’s development. Some of the outfit’s well-known clients include the Australia and New Zealand Banking Group, Holcim and Sharp Corporation.

Leading lawyers

Bill Magennis
Thomas Miller
Nigel Russell

Baker & McKenzie

“I would highly recommend Baker & McKenzie to clients needing legal assistance in Vietnam,” says one client at an international company. “Their services have been first rate. [Managing partner] Fred Burke is an excellent lawyer and is very knowledgeable about the various legal issues which impact foreign investors within the country. He is very responsive to our inquiries and has assembled a top notch legal team.”

Boasting more than 60 professionals in its Vietnam offices, the international outfit had a banner year in transactional work, churning out an impressive flow of sizeable deals and representing top global and domestic banks on various matters comprising strategic investments, financial services regulatory and project developments, among others.

In one cross-border transaction, the group acted for an international bank on its loan of up to \$82 million for two aircraft financings. The team is also advising a multinational bank on a \$400 million syndicated loan agreement to finance a park and township development in Hanoi as well as representing a foreign bank on a \$69 million and €7.78 million buyer credit facility to fund a cement plant.

In one complex transaction, special counsel and international trade expert James Lockett, alongside lawyers from the firm’s offices worldwide, advised Origin Energy in providing up to \$90 million additional financing to Salamander Energy’s investments in five exploration blocks in Laos, Thailand and Vietnam. The team addressed legal requirements in five jurisdictions and prepared five farm-in agreements.

In the M&A category, the firm strengthened its team with five new associates. One multi-jurisdictional transaction saw partner Yee Chung Seck feature for a multinational energy company on its acquisition of a Hong Kong company. Seck is further helping a renowned cosmetics company on the acquisition of a Vietnam distributor, while Burke and partner Manh Hung Tran are guiding a fashion house’s regional affiliate on a joint venture with a local fashion company.

Burke and partner Oanh Hoang Kim Nguyen are two of the team’s luminaries for capital markets work, advising a number of financial institutions on regulatory issues. Nguyen is additionally advising a Vietnamese joint stock company on its sale of a 49% stake in a securities company in Thailand.

“They provide advice with the level of confidence that we require, local understanding with global level risk control and close senior level supervision,” says one corporate client.

“Fred Burke is a top notch international lawyer and I had great satisfaction on his helping us to put a team together that supports the project from start to completion. He is always helpful and straightforward.”

Leading lawyers

Fred Burke
James Lockett
Oanh Hoang Kim Nguyen
Yee Chung Seck

Freshfields Bruckhaus Deringer

“My experience with Tony Foster last year convinced me again that he’s the best lawyer in Vietnam,” says one financial client. “He’s been there for a long time so he understands the legal framework. He understands how people operate and he has the high quality standard as you’d expect from a firm like Freshfields.”

The client adds: “The lawyers at Freshfields highlight potential issues and difficulties. Their charisma lies in negotiations. If you’re in a negotiation, you’d like to have a lawyer on your side that you can have confidence in.”

Despite the loss of banking lawyer Jan Johansson earlier this year, the Freshfields team in Vietnam continues to grow with new associate hires and a consistent deal flow, particularly in port financing and M&A.

It is an added bonus that the firm is able to draw strengths from its Hong Kong office, enabling the team to appear more frequently in big-ticket deals. Managing partner Tony Foster leads the group for the sixteenth year and picks up deserving praise by clients and peers alike for his long-standing expertise and dedication in the field.

“Freshfields is a professional and experienced firm with strong advice on Vietnamese legal and regulatory framework, which is often unclear and dynamic. They have good contacts with local authorities and execute methodical and diligent service,” says one client at a multinational, who puts in a good word for one attorney. “Lang [Thi Nguyen] is diligent and highly competent and personable. Freshfields is not cheap, but they provide legal assurance and professional service.”

In one cross-border capital markets transaction, the team advised Vietnam Shipbuilding Industry Corporation (Vinashin) in its proposed \$600 million international bond offering guaranteed by the Vietnamese government. Foster and senior associate Jerome Buzenet additionally acted for Oaktree Capital Management in its investment in exchangeable bonds issued by Masan Group Corporation.

Often involved in high-value M&As, the group assisted the Australia & New Zealand Banking Group (ANZ) in obtaining ABN Amro Bank’s business in Vietnam. The deal was part of ANZ’s acquisition of the Royal Bank of Scotland’s assets in Asia. Another coveted transaction saw Foster, senior associate Milton Lawson and associate Tien Thanh Bui act for Carlsberg in its increasing stake in Hanoi Beer Alcohol and Beverage Corporation (Habeco) using a convertible loan structure.

One client notes, “The firm is top-rated, recognising that both the quality of advice and fees are of an international standard. Freshfields consistently provides high-quality advice based on a practical mix of legal interpretation and commercial reality.”

On the project finance side, Tien Thanh Bui advised Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO) as the lender and lead arranger in a \$37.5 million loan to finance the construction of a solid waste treatment complex in Ho Chi

Minh City. Alongside the Hong Kong team, Bui and Foster acted for Cai Mep International Terminal Company in the \$250 million financing for the Cai Mep International Terminal container facility.

The firm is also representing International Finance Corporation (IFC) on its \$200 million financing of ports at Cai Mep. A few other ongoing highlights include representing International Power on a Nghi Son 2 build-operate-transfer (BOT) project and assisting AES Corporation in the financing of a 1200MW coal-fired Mong Duong 2 power plant, worth \$2.1 billion.

Yet another plaudit for the team’s managing partner: “We have always had very professional dealings with Tony Foster and consider him to be top of the class of lawyers in Vietnam. The firm’s service is generally high quality, relevant and timely.”

“Tony Foster is an excellent professional,” notes a legal counsel client. “Freshfields has gone on training its local team so that even the junior lawyers can take on serious matters. The firm does not rely on one big star so that on the day he leaves the country you’re left with no one.”

Leading lawyers

Tien Thanh Bui
Jerome Buzenet
Tony Foster
Milton Lawson

Vilaf-Hong Duc

“Vilaf lawyers have sound knowledge of Vietnamese law,” says one onlooker. “They are very responsive and commercial in that they understand their client’s needs and are able to ensure those needs are met within the boundaries of the law. In particular, Tran Tuan Phong is very reliable and provides commercial advice.”

With nine partners and more than 50 lawyers in its Ho Chi Minh City and Hanoi offices, the firm also holds an enviable capacity to take on coveted transactions through well-established rapports with top international brand Clifford Chance. Of particular mention is managing partner Tran Anh Duc, who has practised law for more than 15 years and actively engages in project finance and corporate matters.

The firm’s most high-profile capital markets transaction in the last year was advising Vincom in its \$100 million convertible bonds issuance, which earned the *IFLR magazine’s* 2010 Asia Debt and Equity-Linked Deal of the Year award. The lawyers further advised Citibank on several deals, namely on a \$153 million untied Nexi term loan facility for three Aframax oil tankers of PetroVietnam, as well as

the bank’s role as arranger of an unsecured export credit financing to the PetroVietnam Nhon Trach 2 Power Joint Stock Company for the funding of capital equipment from several exporters.

In addition to Citibank, the lawyers assist other foreign banks, such as BNP Paribas, the Australia and New Zealand Banking Group, Bank of Tokyo-Mitsubishi UFJ and Bangkok Bank, in their Vietnam operations.

Holding its tier one spot in M&A, the team churns out a consistent deal flow and counsels a number of local and overseas businesses on various investments and divestments. Several noteworthy achievements include advising Corporacion Impsa on a share acquisition with PetroVietnam Power in a \$1.3 billion wind farm project and helping Dragon Capital with a divestment in the Nui Phao mining project. Another highlight saw the team feature for Viettel Corporation in its acquisition of Télécommunications d’Haiti.

Taking part in a series of significant developments in project finance, the attorneys advised a Japanese consortium in its bid to sponsor a 2x600 MW Nghi Son 2 coal-fired thermal power plant project in Vietnam. Chevron Group sought the outfit on the development of a \$1 billion gas line project with PetroVietnam.

The team has additionally guided Japanese electric company J-Power in its investment in several power plants in the country and is counseling Royal Dutch/Shell in its present downstream business activities.

“I would choose Vilaf [over other firms in Vietnam] because they have the history, breadth and size so that if work comes up in different practice areas, they can fill someone very quickly. They understand what they need to deliver to international clients, which I found set them apart from other law firms in Vietnam,” says one market observer.

“Tran Anh Duc is experienced by far. He speaks good English and is used to working with international firms, so he’s very responsive,” says the client, adding: “Nguyen Quang Hung is much younger, but technically very good. He knows all the laws and is very thorough. We worked on a difficult issue and he was able to answer the questions.”

Leading lawyers

Tran Anh Duc
Nguyen Quang Hung
Tran Tuan Phong

YKVN

“YKVN is top-rated with in-depth knowledge and experience in banking, capital markets and M&A,” notes one banking client. “I consider Truong Nhat Quang the top banking

lawyer in Vietnam who is very experienced, competent, responsive and takes care of clients.”

One client at a global bank comments, “YKVN has a strong banking and financial services team. They have good experience working with major state-owned banks and companies and are usually involved in large, landmark transactions.”

The client further pinpoints the excellence of several individuals. “Mr Truong Nhat Quang is a very smart and experienced lawyer. It is always a pleasure working with him. Quang leads a very strong team including John Davis, a veteran lawyer with deep understanding of Asian business culture, and Ms Nguyen Thi Dang who has been involved in many big deals since Vietnam opened its doors to foreign investment some 20 years ago.”

A client at a multinational says, “Diep Hoai Nam is very knowledgeable as to local laws and renders sound advice to clients based on experience and legal knowledge.”

Winner of the *IFLR magazine's* 2010 Vietnam Law Firm of the Year award, the outfit is well-regarded for its expertise in a wide range of areas, particularly in banking and finance. On the debt capital markets front, the team represented Barclays, Citigroup and Deutsche Bank as joint lead managers in the country's second sovereign bonds issuance, valued at \$1 billion.

In another coveted deal, partners Truong Nhat Quang and Vu Dzong featured for Credit Suisse as the lead manager of the \$100 million Rule 144A/Reg S convertible bonds issuance by Vincom. This deal marked the first successful issuance of offshore convertible bonds by a Vietnamese company and furthermore won *IFLR magazine's* 2010 Asia Debt and Equity-Linked Deal of the Year award. An additional achievement includes the team's counsel to HSBC and Standard Chartered Bank as joint lead managers on Techcombank's approximately \$120 million issuance of local currency bonds.

Praise for the team continues, “Truong Nhat Quang, Vu Dzong and Duong Thu Ha and John Davis are excellent lawyers. In my view, Truong Nhat Quang is the top banking lawyer in the market because of his seniority, experience, expertise and dedication to clients. He is so nice to customers. We prefer YKVN because of their professionalism and higher English fluency ability,” says a client.

The firm's close client relationships are evidenced in its frequent counsel to Masan Group Corporation, which the group represented on its sale of shares to House Foods Corporation as well as its acquisition of Comp Investors.

In one recent matter, Masan Group Corporation looked to the team in its acquisi-

tion of a controlling interest in Nui Phao Mining Joint Venture Company from Dragon Capital. Partners Quang, Nam and Dzong provided legal analysis of Vietnamese law on this complicated corporate reorganisation. Another M&A accomplishment had Quang and Nam advise PetroVietnam Insurance Corporation on its sale of a 12.6% stake to Oman Investment Fund.

The team has engaged in a steady string of mid-sized projects in the last year, such as advising Proparco on the \$8 million financing of Scavi Group sewer facilities as well as helping Czech Export Bank on its financing of Quang Binh-Bohemia Kaolin Company's kaolin production plant.

One essential matter involves the group's guidance of International Finance Corporation (IFC) in advising the Ministry of Industry and Trade on the Nghi Son 2 2x600MW build-operate-transfer (BOT) coal-fired power project in central Vietnam. Estimated to be more than \$1 billion, the project comprises the negotiation of a power purchase agreement, among other documents.

The team further represented Joint Stock Commercial Bank for Foreign Trade of Vietnam and Bank for Investment and Development of Vietnam, among other state-owned banks, on various industrial and power project developments.

Leading lawyers

Nguyen Thi Dang
Vu Dzong
Duong Thu Ha
Diep Hoai Nam
Truong Nhat Quang

Audier & Partners

“Nicolas Audier has a deep understanding of the local market conditions and difficulties,” says one corporate client of the firm's leading light. “With this experience, the firm is able to provide answers and solutions.”

The client continues, “We have been through a number of law firms, as we have tried to find the right lawyers at reasonable prices and have had a number of bad experiences. So far, Audier & Partners has proven to be the best for our group's needs.”

Despite its establishment just two years ago, after Audier's departure from Gide Loyrette Nouel, the brand has quickly made a name for itself and risen up the ranks to compete with some of the largest players in the legal market.

Leading partner Audier boasts over 15 years of experience in the country and wins overwhelming praise from clients. “I would recommend the firm for all my friends,” notes one corporate client. “[Nicolas] Audier is a

gentleman, a delightful man and a long-time resident. He is a very nice blend. He makes jokes and is very kind, but when we get complicated deals, he reminds you not to lose sight of your objectives. He is definitely very professional and reliable.”

The client adds praise for partner Etienne Laumonier: “Etienne [Laumonier] is one of the most detailed attorneys I have ever dealt with. He comments on everything. He's terrific. The lawyers here were particularly good at advising and steering us through the ministries that were necessary, which was a very complicated process. They knew the Vietnamese government policies, which was advantageous.”

The brand has kept an active profile in the last year. One banking achievement saw the team provide counsel to HSBC and other onshore lenders on a \$130 million syndicated loan to Saigon International Terminals Vietnam (SITV) for the funding of port operations.

Maintaining a reputable practice in debt capital markets, the lawyers were appointed by the Vietnamese government on a \$1 billion sovereign bonds issuance. Partner Hadrien Wolff and senior associate Lan Le Thuy further featured for a prominent European bank on its enforcement of a securitisation programme for select assets in Vietnam.

On the M&A front, the outfit advised on several foreign investments and cross-border acquisitions. On two such transactions, the attorneys acted for Securitas in its acquisition of a domestic security services provider, marking a significant investment in one of the nation's highly-controlled sectors, and assisted an international oil and gas company in the restructuring of a joint venture.

In addition to having stellar lawyers, the firm possesses the competency to churn out bigger deals owing to its close affiliation with Allen & Overy. Advising international banks and companies, typically as lenders on project financings, the team advised Standard Chartered Bank and a consortium of offshore lenders in a loan to PetroVietnam for the Dung Quat refinery. Ongoing features include the group's assistance to a European development bank in the financing of a costly dam project as well as representation of a group of Asian banks and commercial lenders for a build-operate-transfer (BOT) power plant in Vietnam.

Leading lawyers

Nicolas Audier
Etienne Laumonier

Frasers Law Company

Frasers Law Company was established in 2004 by managing lawyer Mark Fraser, who boasts more than 15 years of experience in south east Asia. Often considered a competitor to other highly ranked firms, the outfit holds a stable reputation for its active role advising many well-known foreign clients across a multitude of practice areas, including but not limited to corporate, finance, energy and real estate.

Moreover, the firm's association with international firm Freehills boosts the team's capacity to engage in various cross-border and large-scale transactions. Some global clients include the International Finance Corporation, Asian Development Bank, Nippon Steel as well as the Australia and New Zealand Banking Group.

One client holds high regard for the firm, saying, "They [the lawyers at Frasers Law Company] are responsive. They're knowledgeable in their areas of practice, and their billings are more reasonable so you get bigger bang for the buck."

The client further describes attorney Ha Viet Nguyen as being "knowledgeable" and giving "good advice".

Leading lawyers

Mark Fraser

Mayer Brown JSM

"They are active in bonds," says one onlooker, while another adds, "They are big in capital markets and real estate." "[Mayer Brown] JSM does a fair amount of work," notes one competitor at an international firm, who also considers renowned lawyer Dao Nguyen and real estate expert David Lim to be the firm's luminaries.

Nguyen in particular possesses long-standing expertise in various fields, acting for developers and the government in project finance transactions as well as foreign investors on their finances in Vietnam, among other matters.

While the team suffered the loss of corporate and commercial lawyer Michael Lee to Tilleke & Gibbins, it continues to churn out reputable work thanks to a highly experienced and dedicated team as well as a global network.

One highlight saw partner Mai Phuong Nguyen acting as Vietnamese counsel to Australia and New Zealand Banking Group as the security agent for a group of financial institutions in their parallel loan to SSIT, a joint venture company among SSA Holdings International-Vietnam, Vietnam National Shipping Lines Corporation (Vinalines) and Saigon Port Company.

Leading lawyers

David Lim

Dao Nguyen

Hoang Anh Nguyen

Mai Phuong Nguyen

Russin & Vecchi

"They [lawyers at Russin & Vecchi] provide thoughtful, creative and legally sound advice to us in a professional fashion," comments one client at a local enterprise. "When we press for time, they go the extra mile to ensure we can meet our deadlines and expectations. Both Mr [Nguyen Huu Minh] Nhut in Ho Chi Minh City and Ms [Mai Thi Minh] Hang in Hanoi are excellent and diligent professions. I go to them each time I need legal advice for both business and personal matters."

"They're improving," notes one client. "It's a good sign that they're trying to be more responsive, proactive and commercial in the advice they're giving."

"I would use them again without hesitation," says one client at a foreign company. "They were excellent. From a technical standpoint, they knew their stuff, but more than that, from a commercial and practical perspective, they knew what we were after. They approached the deal and reached negotiations understanding what we required and gave legal input by taking that perspective," says a client.

The client also singles out partner Nguyen Huu Minh Nhut: "He is always available. Some of the issues we dealt with were difficult and can be tricky in Vietnam, but he was able to still give very clear, very useful legal advice while operating in an environment of relative uncertainty."

Priding itself as the country's oldest foreign law firm, the group's forté lies in cross-border M&A, though clients also seek the brand for finance work. While the outfit suffered a slowdown in banking activity owing to the economic turmoil, one highlight in the past year was advising Perdana ParkCity as the offshore shareholder in a joint venture project in Hanoi.

Further achievements include Nhut and Hang's assistance to Vietnam Asia Commercial Joint-Stock Bank and Nomura International on various derivatives trading matters. On the M&A front, Hang advised the Royal Bank of Scotland on its sale of assets in Southeast Asia to Australia and New Zealand Banking Group. Another achievement saw Hang feature for Oman Investment Fund in its acquisition of shares in PetroVietnam Insurance Joint Stock Corporation.

One legal counsel client says, "Nguyen Huu Minh Nhut has solid commercial experience in Vietnam, and his local knowledge combined with very solid English drafting allows him to add substantial value to his legal services. Mr Nguyen is also supported by a capable team of Vietnamese attorneys at the firm."

On the topic of legal fees, the client remains positive. "Russin & Vecchi provides good value for money in that their services are very competent, yet their billing rates are fair and justifiable in comparison to other foreign firms in Vietnam."

Leading lawyers

Mai Thi Minh Hang

Nguyen Huu Minh Nhut

Sesto Vecchi

Vision & Associates

"Vision Associates is a good law firm in Vietnam," comments one client, who points out, "Ms [Le] Quynh Anh and Mr [Ngo Trung] Hieu are good lawyers in the real estate and foreign investment businesses in Vietnam."

Not only does the outfit boast a stable group of foreign and domestic corporations as clients, the associate firm of Norton Rose is also an avid choice for government agencies, including the Ministry of Finance and the State Bank of Vietnam.

The team has engaged in a number of noteworthy deals this past year, such as advising AIG/AIA Vietnam on negotiations with government authorities and legal reviews, among other matters, following Prudential's announcement to acquire AIG's life insurance business. Another achievement was the firm's counselling of VinaCapital Vietnam Opportunity Fund on the proposed share acquisition of a joint stock company.

Providing solid advice in the capital markets space, partners Luu Tien Ngoc and Ngo Trung Hieu helped FBS, a local real-estate company, on a corporate bond issuance. Habubank Bank Vietnam also looked to the attorneys regarding an International Swaps and Derivatives Association (Isda) agreement with a foreign bank. Foreign lawyer Geoff Sutherland, along with partners Luu Tien Ngo and Nguyen Dinh Nha, represented Hong Leong Bank Vietnam on all legal aspects of its Vietnam operations.

On the non-transactional side, the firm contributes to the country's economic development by continuing to assist the World Bank with regulatory review, including on the formation of a public private partnership (PPP) framework for infrastructure projects.

Leading lawyers

Pham Nghiem Xuan Bac
Le Quynh Anh
Ngo Trung Hieu
Luu Tien Ngoc

Other notable firms

“**Bizlink Lawyers & Consultants** is professional in its services and we found the firm’s advice always helpful,” says one banking client. “They always protect our interests with the most efficient and reasonable solutions. Mr Do Trong Hai and Mr Vu Cat Tuong are very professional and meet our satisfaction.”

A financial client notes, “Mr Do Trong Hai and Mr Vu Cat Tuong are very skillful, cooperative and have good knowledge not only in law but also in banking and business.” The client adds that the firm provides “good services” at “reasonable pricing.”

With about 30 professionals across two offices, the outfit keeps a respectable practice in banking and finance. In one mid-sized transaction, the team advised Vietcombank as lender of long-term and medium-term loans with varying interest floating rates, worth \$39 million, for a hotel and residential project in Da Nang.

In another laudable accomplishment, Mitsubishi UFJ Financial Group sought the team for legal advice regarding its Vietnam operations following a \$9 billion investment in Morgan Stanley.

“We highly appreciate and are quite impressed with the services provided by Bizlink,” says one client. “The Bizlink team of lawyers is capable of always giving smart and innovative advice on legal structures, even in the most complicated cases. They also show their outspread of knowledge and experience with undeniable professionalism compared with other local law firms. This strength thus makes them different from other local law firms in Vietnam.”

Leading lawyers: Do Trong Hai and Vu Cat Tuong

“**DC Law** is a nice law firm,” notes one peer. “The firm is very active in Vietnamese enterprises, so I see them on the Vietnamese side.” Another commentator says, “DC Law is fairly mid-sized. They have some good lawyers and they’re pretty solid.”

Though still recovering from the loss of Le Cong Dinh, the firm has continued to grow again with several associate hires in the last year. Priding itself as a purely local firm, the team’s approximately 20 lawyers keep a reputable profile in the areas of M&A, construction and real estate, and dispute resolution.

One transactional highlight was the team’s feature for Long Hai Security in its sale of 49% shares, worth \$4.6 million, to Securitas.

Additionally, Sun Wah Vietnam Real Estate Company looked to the firm on its \$11.5 million acquisition of 99% charter capital of Tan Hoa Real Estate Company, as did Tan Hoa Real Estate Company on its purchase of Van Phuc Gia Real Estate Corporation for the subsequent acquisition of a residential development.

Leading lawyers: Minh Ngo and Bich Nguyen
Hogan Lovells’ corporate practice in Vietnam, which appeared dormant until just a few years ago, is a quick growth story. The team is led by Hong Kong partner Tim Fletcher and recently its offering was bolstered with the arrival of associate Claire Lieberman, a New York-qualified lawyer.

Several praiseworthy highlights include counseling the Hanoi Metal One Steel Center on an internal share transfer as well as advising Digital Xpress International on the buy-out of its Vietnamese partner in a joint venture. Of counsel Gregory Buhyoff is lauded for his expertise on intellectual property matters, and of counsel Nasir PKM Abdul partakes in a number of the firm’s cross-border acquisition and corporate work.

Leading lawyers: Nasir PKM Abdul

Established in 2006 by partners Net Le and Quang Huy Chau, who each hail more than ten years of legal experience, **LCT Lawyers** provides a full range of services from areas such as banking and finance to tax and litigation.

In spite of its relative newness to the market, the firm’s approximately 20 lawyers have kept busy with a number of high-value mandates in the last year. One noteworthy transaction saw the firm act for Vietcombank on the International Swaps and Derivatives Association (Isda) interest swap agreement with Cement Finance Corporation for the development of the Binh Phuoc cement plant, valued at up to €300 million.

Hoa Sen Group sought the outfit in its borrowing of a syndicated loan to build a cold steel mill plant in Ba Ria Vung Tau Province in southern Vietnam, as did VinaCapital on its approximately \$20 million acquisition of North East Electricity Development Company. In another impressive feat, the group advised Malaysia’s Hong Leong Bank in its negotiation with the State Bank of Vietnam to approve its operation in the country.

On the projects side, the team took an active role in several enviable deals, advising East West Highway Authority on a \$660 million water improvement project as well as representing Mapletree Investments in the development of Mapletree Business City, worth \$250 million, in Binh Duong New City. The firm further boasts strong connections with worldwide firms, including Allen & Gledhill,

Simmons & Simmons and Nishimura & Asahi.

“The firm’s service is good and of a reasonable fee,” says one client. “I appreciate the high quality of service performed by Dr Net Le. He has such a professional way of conducting the service in a timely manner.”

“The lead partners at LCT Lawyers possess strong up-to-date knowledge and are able to consistently provide a high level of service and response,” says a corporate client. “We have worked closely with Net Le as well as Quang Huy Chau, and both have displayed a high level of legal ability.”

Leading lawyers: Quang Huy Chau, Quyen Hoang and Net Le

Orrick Herrington & Sutcliffe engages actively on project developments in Vietnam from the Hong Kong office owing to two dedicated lawyers, managing associate Linh Doan and partner Christopher Stephens.

One long-term legal counsel client says, “Not many law firms have the depth and breadth of cross-border power and project financing experience that Orrick has to offer. The team has been working diligently and is very responsive to all of our questions.”

The client continues: “Linh [Doan] is extremely professional and always a pleasure to work with. We have worked together on projects work for over ten years and I completely trust her guidance. She knows her clients and the market, is well-connected in Vietnam, and is attentive and responsive. I would highly recommend Linh as an exceptional lawyer in Vietnam and will definitely continue our working relationship.”

Demonstrating its frequent appearance in coveted and high-profile deals, the team is advising Jaks Resources, a water infrastructure services provider in Malaysia, as the project developer of a \$1.8 billion Hai Duong 2x600 MW thermal power plant.

A consistent counsel to Vietnam Electricity (EVN), Doan and Stephens advised the power company in meeting the requirements for a loan by the Export-Import Bank of China to fund the \$1.2 billion Hai Phong-Quang Ninh coal-fired power project.

In one transaction that took five years to negotiate, the lawyers represented EVN in a power purchase agreement with AES Corporation for the construction of the 1200MW Mong Duong 2 project build-operate-transfer (BOT) thermal power project, worth \$1.4 billion. Furthermore, the firm is acting for clients in the large-scale Kien Luong, Vinh Tan 1 and Nghi Son 2 coal-fired power projects as well as in the first wind power project in Vietnam.

Leading lawyers: Linh Doan and Christopher Stephens

“They’re really good,” comments one client of Tilleke & Gibbins’ lawyers. “Because the firm is small, we work with them very closely. Hoang Thi Kim Tran is really smart. She works hard and is good in balancing legal and commercial aspects and gets things done. She tries to solve problems” The client adds, “Their price is fair.”

One of the smaller international firms in the country, the outfit nonetheless keeps a solid work flow and respectable name in cross-border M&As. In one multi-faceted transaction, the team advised VinaCapital Group, providing due diligence in the share acquisitions of Project TaxOnline, a Vietnamese-owned online tax services company, and Greenfield, an ethanol manufacturer in Vietnam.

Additionally, the attorneys are assisting Merck Sharpe and Dohme with various licensing and consolidation issues as a result of the multinational company’s global merger with Schering-Plough.

A significant addition to the team was that of Michael Lee, a US-qualified lawyer who previously worked at Mayer Brown JSM and now heads Tilleke & Gibbins’ corporate and commercial team in Vietnam.

“Michael Lee is responsive. We appreciate that in the jurisdiction of Vietnam, he is able to converse in English. We engaged him to do due diligence, so he came back with extensive due diligence, and where there were issues we had to look into he gave us sound advice,” praises a financial client. “ If I have people who need help in Vietnamese legal advice, I’d recommend them.”

Leading lawyers: Michael Lee, Hoang Thi Kim Tran and Kien Trung Trinh