

Kluwer Arbitration Blog

Interviews with Our Editors: In Conversation with Vu Anh Duong, Secretary General of the Vietnam International Arbitration Centre

Deborah Loh (Assistant Editor for Southeast Asia) (Clifford Chance Asia) · Thursday, August 17th, 2023 · Vietnam International Arbitration Centre (VIAC)



Mr. Vu Anh Duong is the Secretary General of the Vietnam International Arbitration Centre (“VIAC”), which is the leading Vietnamese arbitration and mediation institution. Mr. Duong has contributed significantly to the development of arbitration in Vietnam in various ways; in addition to his role with the VIAC, Mr. Duong has served as a member of various drafting committees dealing with not only the VIAC’s Rules of Arbitration (2017) (“VIAC Rules”), but also Vietnam’s arbitration-related legislation. He also regularly lectures on commercial arbitration and sits as an arbitrator in both international and domestic commercial arbitrations.

Mr. Duong, thanks for joining us today! We are excited to hear your insights on the arbitration scene in Vietnam.

- 1. The VIAC was established in 1993 and you have held positions in the organization since 1997, rising to become the Secretary General in 2017. In your view, what have been some of the most significant developments in the Vietnam arbitration scene over that period, and what role did the VIAC play in that development?**

In recent years, the commercial arbitration landscape in Vietnam has experienced remarkable growth and achievements. This is evidenced by the increasing number of arbitration cases, as well as the monetary value (or other stakes involved) and complexity of these disputes. Among the arbitration centers, the VIAC (which is also called the Vietnam International Arbitration Centre at the Vietnam Chamber of Commerce and Industry) is regarded as the most long-standing and credible arbitration institution, having 30 years of operation and currently the widest coverage in Vietnam. In recent years, the VIAC has been accepting around 250 to 290 new cases annually, with roughly 60% of these comprising international cases, reflecting the growing confidence in

arbitration as a preferred method for resolving commercial disputes.

The VIAC is proud to have contributed significantly to the development of Vietnam's commercial arbitration legal framework through active contributions from the VIAC's President and members of the Secretariat to the drafting of [Vietnam's Law on Commercial Arbitration \("LCA"\)](#). The enactment of the LCA in 2010 marked the establishment of a significant foundational framework for arbitration, which more closely aligns with the international standard set by the UNCITRAL Model Law. By embracing international standards and practices, the LCA enhanced Vietnam's appeal as an investment destination and facilitated the resolution of cross-border disputes through arbitration.

2. Please could you briefly explain the types of users, parties and industries, or types of disputes that the VIAC typically attracts?

Through the years, the VIAC has gradually established itself as a reputable arbitration center, which makes it an attractive choice for a wide range of users and parties seeking efficient, impartial, and internationally recognized dispute resolution mechanisms for their commercial disputes in Vietnam.

Users of the VIAC include both domestic and international entities that engage in commercial activities in Vietnam. These users come from various industries such as construction, finance, and international trade. This reflects the center's recognition as a credible arbitration institution capable of handling cross-border disputes.

The types of disputes that the VIAC typically handles are diverse, encompassing a broad spectrum of commercial matters including contractual disputes, construction and infrastructure disputes, joint venture and shareholder disputes, international trade disputes, investment disputes, and other types of commercial disagreements arising from different sectors.

As our mission is to be the leading and model arbitration institution in Vietnam, we aim to serve a wide range of arbitration users in relation to any disputes that they encounter in their business; hence, we do not limit our target audience to only big companies/corporations with complex disputes. The VIAC also caters to small and medium-sized enterprises (SMEs) and has recently started pilot services for consumer credit disputes.

3. What are three key features of the VIAC that make it an attractive choice for those types of arbitration users or disputes?

The VIAC boasts several key traits that make it an appealing choice for various arbitration users and disputes, namely its international orientation, enforceability, and efficiency.

The international orientation of the VIAC is best reflected in the [VIAC Rules](#), which align with international standards and accommodate the application of international arbitration procedures. The VIAC also embraces a diverse list of arbitrators who possess extensive international experience and expertise. This ensures that the proceedings benefit from a broad range of perspectives and knowledge, catering to the needs of parties involved in cross-border transactions.

As for enforceability, arbitral awards made under the VIAC Rules have immediate validity within Vietnam's territory and can be directly enforced by the Vietnam Civil Judgement Enforcement Agencies. International enforceability of VIAC awards are also ensured under the framework of the New York Convention 1958.

The VIAC's emphasis on efficiency is reflected in our streamlined procedural rules that prioritize speed and cost effectiveness. Our case management services and robust approach in facilitating the dispute resolution process also help to minimize delays and unnecessary expenses.

4. Looking ahead, what do you expect to be some of the key drivers of further development in Vietnam's arbitration scene in the coming years?

I believe the first key driver would be institutional reforms. Continual updates and reforms to the arbitration laws and regulations to maintain or achieve greater alignment with international standards, such as the UNCITRAL Model Law and other instruments introduced by UNCITRAL, IBA, and among others, will significantly enhance the credibility and efficiency of arbitration proceedings in Vietnam.

Another important key driver would be the effective enforcement of arbitral awards as well as the court's assistance and supervision, which some might consider to be paramount for development of the local arbitration scene. When users consider Vietnam as an arbitration-friendly jurisdiction and are confident that their awards will be enforced promptly and efficiently, they will be more likely to select Vietnam as the seat of arbitration.

In addition, the availability of skilled arbitrators and practitioners with expertise in various fields will be a driving force behind the growth of arbitration. The [Vietnam Institute for Arbitration Research and Training](#), a division of the VIAC, organizes training programs, educational initiatives, and professional development opportunities to nurture a pool of highly qualified arbitrators and practitioners in Vietnam with the belief that this will enhance the quality of arbitration proceedings and instill confidence among the parties involved.

5. Several renowned international arbitral institutions, such as the International Chamber of Commerce ("ICC") and the Permanent Court of Arbitration ("PCA"), have recently made inroads into Vietnam in 2021. How does the VIAC distinguish or intend to distinguish itself from these organizations?

In 2021, we witnessed significant developments in Vietnam's arbitration landscape, as both the ICC and the PCA have made notable inroads into the country. While these international arbitration institutions have gained recognition and have started to establish their presence, it is essential to highlight that the VIAC maintains its prominent position in the region.

The VIAC has been trying to affirm its position as the leading arbitration institution in Vietnam through cultivating a trustworthy reputation in the region and developing good practices and a deep understanding of international arbitration. Recognizing that the arbitration scene in Vietnam is fairly young, the VIAC considers that proactive support for the development of arbitration is required, including in the post-award stages. To that end, the VIAC supports arbitration parties in

their defense of arbitral awards' validity in Court by, among others, (a) being responsive to queries from the Court regarding proof of service of arbitration documents; and (b) encouraging tribunals to provide their opinions to the Court in relation to a party's alleged grounds for setting aside an arbitral award. The VIAC also aims to promote institutional reform to improve Vietnam's business environment, and increase the awareness of Vietnamese enterprises in relation to contracts, legal risk management, and dispute mitigation and resolution.

As the leading institution in Vietnam, with deep knowledge of the region's alternative dispute resolution ("ADR") market, we are also involved in consolidating research and consulting on policies and laws for the business community and other organizations and individuals in relation to ADR to improve the ADR offerings available and better resolve legal disputes that arise in international trade and investment.

6. As a member of the committee for the 2004, 2012, and 2017 versions of the Rules of Arbitration of the VIAC, are there any revisions to the rules that have stood out to you as being particularly innovative or helpful? Can you let us in on any plans for a further revision to the rules?

Two of the most significant revisions in the 2017 Arbitration Rules were the introduction of Article 6 and Article 15, on the commencement of a single arbitration for claims arising out of multiple contracts and consolidation, respectively. Article 15 recognizes and adopts the mechanism in Article 7.4 of [Resolution No. 01/2014/NQ-HDTP](#) on the implementation of the LCA, thus allowing parties to consolidate their claims more easily. Through Article 6 and Article 15, the VIAC aims to provide parties with an efficient and comprehensive mechanism for resolving their disputes that arise from multiple contractual relationships (as is becoming increasingly common, given the complex nature of modern business transactions).

Another significant revision was the introduction of the expedited arbitration procedure in Article 37, which was designed to streamline proceedings by implementing shorter timelines for various stages of the arbitration, such as the appointment of arbitrators, submissions, and hearings.

In revising our Arbitration Rules, we consistently strive to align them with domestic and regional market requirements while maintaining strict compliance with Vietnamese law. Currently, the LCA is being reviewed for areas of improvement. We hope that the proposed amendments to the LCA will bring it closer to the latest international standards, thereby providing the foundation for the VIAC's Arbitration Rules to be more market-oriented and aligned with global arbitration trends.

7. On a more personal note, please could you share with us one of your favorite features of arbitration that first drew you to the field?

Speaking from a more personal perspective, one aspect of arbitration that initially attracted me is its inherent flexibility. Unlike traditional litigation, arbitration allows parties to customize the dispute resolution process to suit their specific requirements and preferences, from choosing the seat and language of the proceedings to selecting the arbitrators and even shaping the specific procedural steps. Moreover, the confidential nature of arbitration adds an additional layer of

discretion, allowing users to safeguard sensitive information. The combination of these factors presents a truly remarkable user-centric dispute resolution mechanism.

Thank you, Mr. Duong, for your time and perspective! We wish you all the best!

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