



RESPONDEK & FAN

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VIETNAM: Investment Guide - 2nd Edition now ready

Staying up-to-date with regard to the ever changing investment landscape in Vietnam is not an easy task. Rules and regulations change and develop constantly. To help foreign investors steer their course in Vietnam, we have just revised and updated our "Vietnam Investment Guide". Topics being covered include:



- Legal forms of enterprises
• Preferential Investment Conditions
• Tax System
• Accounting & Auditing
• Foreign exchange management
• Trading & Distribution
• Land use rights
• Contract Law
• Labor Law
• Intellectual Property
• Dispute Resolution

This 120 page guide book provides an up-to-date comprehensive summary regarding the most relevant areas of Vietnam's investment laws and is a must for every foreign investor.

To provide you with a more detailed overview of what is being covered, I would like to invite you to have a look at the previous edition that can be downloaded from our website at: http://www.rflegal.com/images/VN\_Investment\_Guide\_(2008).pdf

SINGAPORE: Proposed amendments to the SIAC Rules

The SIAC's 2007 Rules are currently under review. Proposed amendments include - inter alia - the following items:

- Elimination of the requirement for a Memorandum of Issues
• Introduction of expedited procedures for cases involving less than SGD 5 million
• Introduction of a new "emergency arbitrator" with special powers (appointment within one business day of receipt of application; special interim relief powers of the emergency arbitrator etc)
• Transfer of certain powers from the Registrar to the Arbitral tribunal (e.g. power to determine the seat)

The official consultation period has ended on April 19, 2010 and we will provide an update of the final version of the new SIAC Rules as soon as they will be available.

THAILAND: Political situation and economic impact

Recent years have seen various developments in politics and society in Thailand that give reason for concern. In 2006 a military coup occurred, in 2008 Bangkok's international airport was occupied and most recently, so called "red shirts" have occupied certain strategic downtown areas in Bangkok.

As a consequence, tourism (that accounts for roughly 7 % of the economy) has also been hit badly.

Dear Reader,

We have just completed the revision of our Vietnam Investment Guide. To order your copy of the Vietnam Investment Guide, please contact Rusy at rusy@rflegal.com. We will provide the investment guide free of charge for our clients while we will charge an administrative fee of SGD 50 for an electronic version (a pdf file) or SGD 100 for a hard copy, for those that are not our clients yet. Further information is available in this newsletter

As usual, if you have any comments, remarks or questions, we would love to hear from you. Please contact me at +65 -6324-0060 or by email to respondek@rflegal.com.

Kind regards,
RESPONDEK & FAN
Dr Andreas Respondek
Managing Director

SINGAPORE Office
1 North Bridge Road
#16-03 High Street Centre
Singapore 179094
Tel: +65-6324-0060 Fax: +65-6324-0223

THAILAND Office
323 Silom Road, United Center,
39th Floor, Suite 3904 B
Bangkok 10500
Tel: +66-2-635-5498 Fax: +66-2-635-5499

VIETNAM Office
5th Fl., Suite 5.03,
58 Dong Khoi Street, District 1
Ho Chi Minh City
Tel: +84-8-3824-8887 Fax: +84-8-3824-8885



In addition, the legal issues surrounding Map Ta Phut have not yet been resolved and may jeopardize major investment projects.

But despite these developments, so far Thailand's economy has been growing swiftly, even though the current political crisis is likely to cause some temporary weaknesses.

GDP growth during the first quarter of 2010 was above 7 % year-on-year. In April, exports grew 41 % year-on-year, up from 23.2 % in March. The import data also show continued strong demand for consumer goods.

While the Thai economy contracted by 2.3 % in 2009, this year's forecast aims at about 4.6 %.

These data seem to indicate that investors in Thailand have come to treat Thailand's occasional political instability with surprising indifference on the basis that the underlying economy will be usually unaffected over a longer period of time.

Whether and to what extent this trend will continue remains to be seen.

## VIETNAM: Increase of Minimum Wage

According to Decree No. 28/1020/ND-CP dated 25.03.2010, the legal minimum wage rate shall be increased from VND 650,000 / month by VND 80,000 month to VND 730,000 / month effective 01 May 2010.

The new minimum wage will apply to State Employees, armed forces units and social and political organizations, State-owned enterprises and limited liability companies with the State as the sole member.

Not only monthly wage levels but also allowances and other benefits will be based on the new minimum wage system.

While the increase seems small, yet this is another sign that overall costs in Vietnam continue to move upwards.

## SINGAPORE: High Court / conditions for setting aside arbitral awards

The Singapore courts are known to be very supportive of arbitration proceedings. In the recent decision of *Front Row Investment Holdings (Singapore) Pte Ltd v Daimler South East Asia Pte Ltd [2010] SGHC 80*, the Singapore High Court set aside an arbitral award under Section 48(1)(a)(vii) of the Arbitration Act ("AA", Cap 10, 2002 Rev Ed) based on an arbitral award rendered by a sole arbitrator under ICC Rules in Singapore.

Section 48 AA provides that an arbitral award may be set aside by the High Court if "*a breach of the rules of natural justice occurred in connection with the making of the award by which the rights of any party have been prejudiced...*". The High Court confirmed that a party challenging an arbitration award as having contravened the rules of natural justice must establish: (a) which rule of natural justice was breached; (b) how it was breached; (c) in what way the breach was connected to the making of the award; and (d) how the breach prejudiced its rights.

The High Court pointed out that the threshold which an applicant under Sec. 48(1)(a)(vii) has to surmount is high. Nevertheless the High Court held that the arbitrator had breached the rule of natural justice expressed in the Latin maxim *audi alteram partem*, the principle that parties must be given adequate notice and opportunity to be heard. In particular, the Court concluded that the Arbitrator had inexplicably concluded that Front Row relied upon only one of three misrepresentations when there was no basis on which the arbitrator could have concluded that Front Row had abandoned reliance on the rest.

### SINGAPORE Office

1 North Bridge Road  
#16-03 High Street Centre  
Singapore 179094

Tel: +65-6324-0060 Fax: +65-6324-0223

### THAILAND Office

323 Silom Road, United Center,  
39th Floor, Suite 3904 B  
Bangkok 10500

Tel: +66-2-635-5498 Fax: +66-2-635-5499

### VIETNAM Office

5th Fl., Suite 5.03,  
58 Dong Khoi Street, District 1  
Ho Chi Minh City

Tel: +84-8-3824-8887 Fax: +84-8-3824-8885