

DuaneMorris

RESOLVE INSOLVENCY

CREDIT INFORMATION & FINANCIAL INCLUSION

**DIGITIZATION IN STREAMLINING ADMINISTRATIVE
PROCEDURES**

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AGENDA

- **VIETNAM ECONOMY IN 2019 AND THE WORLD BANK'S DOING BUSINESS 2020 REPORT**
- **RESOLVE INSOLVENCY**
- **CREDIT INFORMATION & FINANCIAL INCLUSION**
- **DIGITALIZATION IN STREAMLINING ADMINISTRATIVE PROCEDURES**

Vietnam 2019 Economy at a glance



- GDP: **US\$244.95 billion**
- GDP per capita: **US\$1,964.50**
- GDP Growth: **6.88%** (record breaking since 2010)
- Inflation: **3.52%**
- Population: **About 96.4 million**
- Labor force aged 15 and above: **59.1%**
- Total export and import turnover of the first 6 months: **US\$ 245.48 billion (the highest-ever level)**
- Regional Minimum wage (Region I): **VND 4.180 million (US\$ 180) per month (Jan 2019)**
- Vietnam's average age: **30.9 years old**

WORLD BANK DOING BUSINESS 2020 REPORT

The logo features the word "Rank" in white on a blue background, with "#70" in yellow on a red background. The number "70" is significantly larger than the "#".

Rank
#70

IMPROVEMENT

- GETTING CREDIT
- PAYING TAXES

WEAKNESS:

- RESOLVE INSOLVENCY
- CREDIT INFORMATION AND FINANCIAL INCLUSION
- DIGITALIZATION IN STREAMLINING ADMINISTRATIVE PROCEDURES

RESOLVE INSOLVENCY

RESOLVE INSOLVENCY



GOVERNING LAWS:

- ❖ **LAWS ON ENTERPRISES
2014**
- ❖ **BANKRUPTCY LAW 2014**

RESOLVE INSOLVENCY

Late payment for
3 months



Lenders can file for
the debtor's bankruptcy



Pros: Easier for lenders to cover their loans, because the collaterals are handled after the acceptance of the bankruptcy hearing

Cons: Many debtors have greater lending than borrowing. They are only temporarily insolvent because their debts are not paid

Debt are paid by handling collaterals

RESOLVE INSOLVENCY

PROCEDURE OF A BANKRUPTCY

1. INITIATION AND FILING FOR BANKRUPTCY

2. NEGOCIATION

3. ACCEPTANCE OF BANKRUPTCY HEARING

4. DECISION ON THE LAUNCH OF BANKRUPTCY

5. INSOLVENT COMPANY UNDER RESTRICTION OF ACTIVITIES

RESOLVE INSOLVENCY

6. APPOINTMENT OF THE MANAGEMENT OF PROCEEDINGS

7. HANDLE COLLATERAL TO PAY SECURED DEBTS

8. CREDITORS MEETING

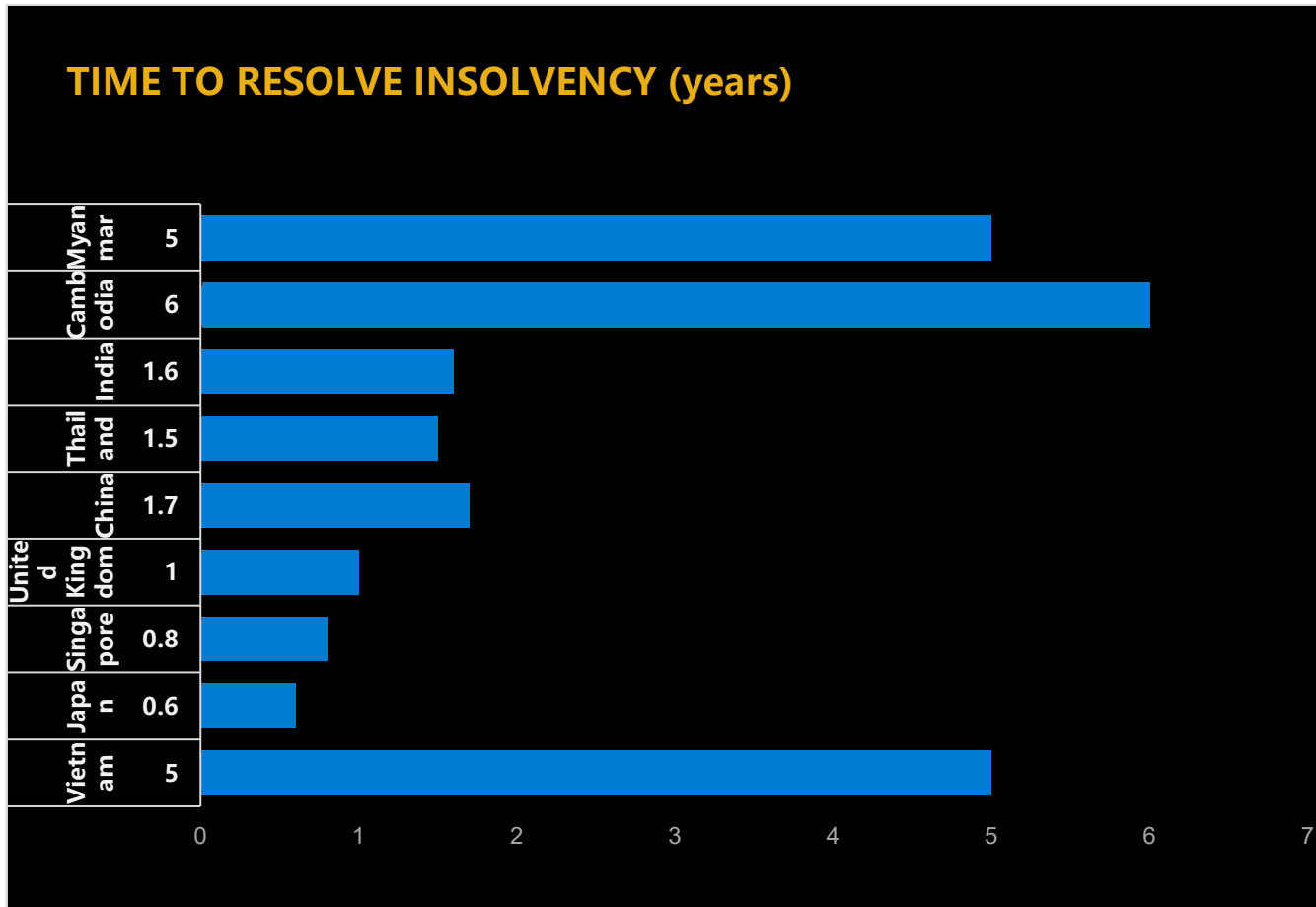
9. RECOVERY OF BUSINESS ACTIVITIES
(if approved in the creditors meeting)

10. DECLARATION OF BANKRUPTCY
(if approved in the creditors meeting or unsuccessful business recovery)

11. ASSETS LIQUIDATION

PROCEDURE OF A BANKRUPTCY (cont.)

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RESOLVE INSOLVENCY

PROCEDURE OF A BANKRUPTCY (cont.)

PRIORITY OF PAYMENTS



1. Cost of bankruptcy

2. Salary and other benefits for employees

3. Debt for resuming business operations

4. The government, unsecured and secured debts

RESOLVE INSOLVENCY

SUGGESTION

INTRODUCE REORGANIZATION PROCEDURES IN THE LAWS

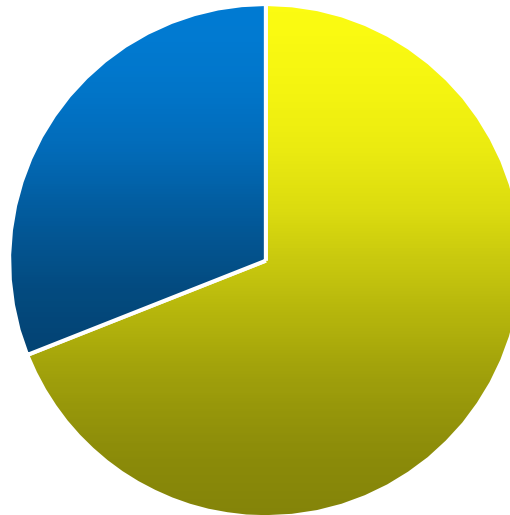
- A step before filing for bankruptcy
- Set clear rules on its commencement, content and adoption of reorganization plan and debt restructuring, the mechanism to manage the debtors' property.



CREDIT INFORMATION AND FINANCIAL INCLUSION

FINANCIAL INCLUSION

VIETNAMESE POPULATION USING BANKING SERVICES



- Unbanked
- Population using banking services

CREDIT INFORMATION

PROVIDER

CIC
PCB

AN
UNDER-
DEVELOPED
AND
LACK OF
COMPETITION
MARTKET

MARKET NEEDS

42 banks

27 finance and financial
leasing company

51 branches of foreign
banks

1.200 people's credit
funds

CREDIT INFORMATION AND FINANCIAL INCLUSION



NEW REGULATION IS UNDER CONTEMPLATION:

PRIVATE FIRMS TO BE INVOLVED IN
CREDIT INFORMATION MARKET



EXPAND THE SCOPE OF
LENDING SUBJECTS

CREDIT INFORMATION AND FINANCIAL INCLUSION

**All the
subjects
in the
society**



Credit information

**Financial
services**

- SMEs
- Poor, unemployed, uneducated people
- Rural residence;
- All the subjects in the society

- Lending for business
- Invest for children's study
- Insurance
- Etc

DIGITALIZATION IN STREAMLINING ADMINISTRATIVE PROCEDURE

DIGITALIZATION IN STREAMLINING ADMINISTRATIVE PROCEDURES

ACCESS TO E-GOVERNMENT PORTALS

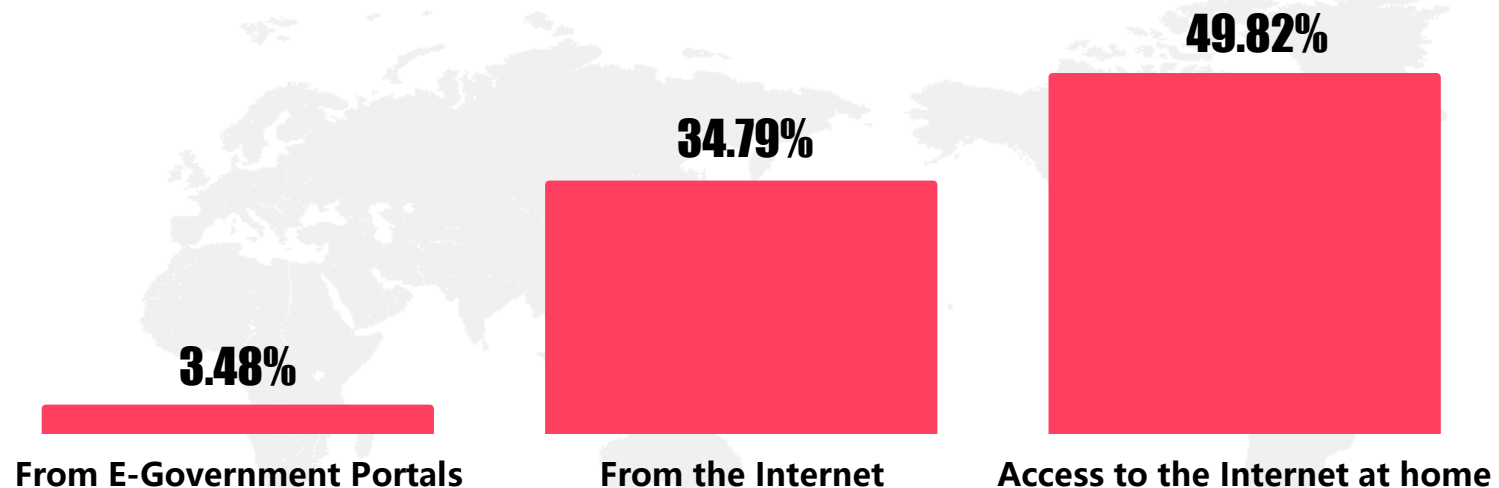
Access to Certification Procedures from Local E-Government Portal	3.48%
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Access to Construction Permit Procedures from Local E-Government Portal	0.84%
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Access to Land Use Rights Certification Procedures from Local E-Government Portal	1.35%
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DIGITALIZATION IN STREAMLINING ADMINISTRATIVE PROCEDURES

ACCESS TO GOVERNMENT INFORMATION



DIGITALIZATION IN STREAMLINING ADMINISTRATIVE PROCEDURES

ADMINISTRATIVE
PROCEDURE
REMAINS
AN
OBSTACLE
FOR BUSINESS!!!



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WHEREVER YOU ARE - BE ALL THERE

Jim Elliot

DUANE MORRIS VIETNAM LLC

Thank you very much!

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