



SYSTEMIC INVESTOR RESPONSE MECHANISM IN VIETNAM

**Van Le
Investment Counselor
Embassy of Vietnam in the USA**



Contents

- Overview
- Pilot Systemic Investment Response Mechanism (SIRM)
- Legalization of SIRM

The necessity of dispute prevention

- Vietnam received FDI from more than 140 countries and territories
- Participation in IIAs
 - 63 (BIT)
 - 20 treaties with investment related provision
- Number of ISDS cases increased
 - Average costs: US\$ 5.3 – 5.9 million/case
 - Negative impact on investment environment

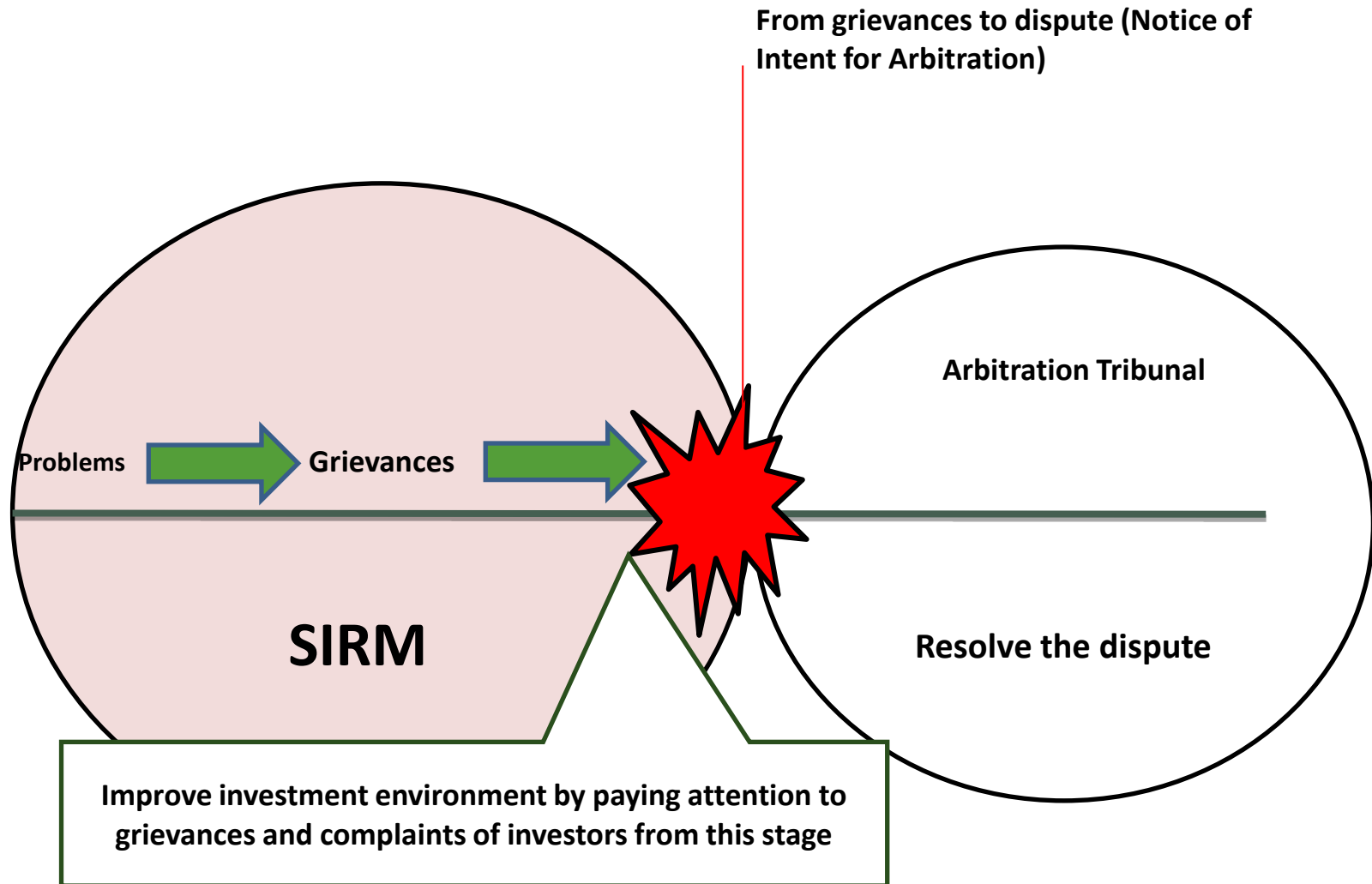
Causes

- Administrative procedures
- Changes in laws and policies
- Non-compliance of Investment Registration Certificate, Contract
- Discriminatory treatment
- Lack of transparency in policy, difficulties in information access
- Enforcement of foreign arbitration award
- Does not provide necessary condition to implement the investment projects

Recognize and early-warn about dispute

- Collect information on grievances and address grievances
- Clear procedures for addressing grievances
- Effective coordination mechanism among government agencies
- Capacity of experts and government officials in charge

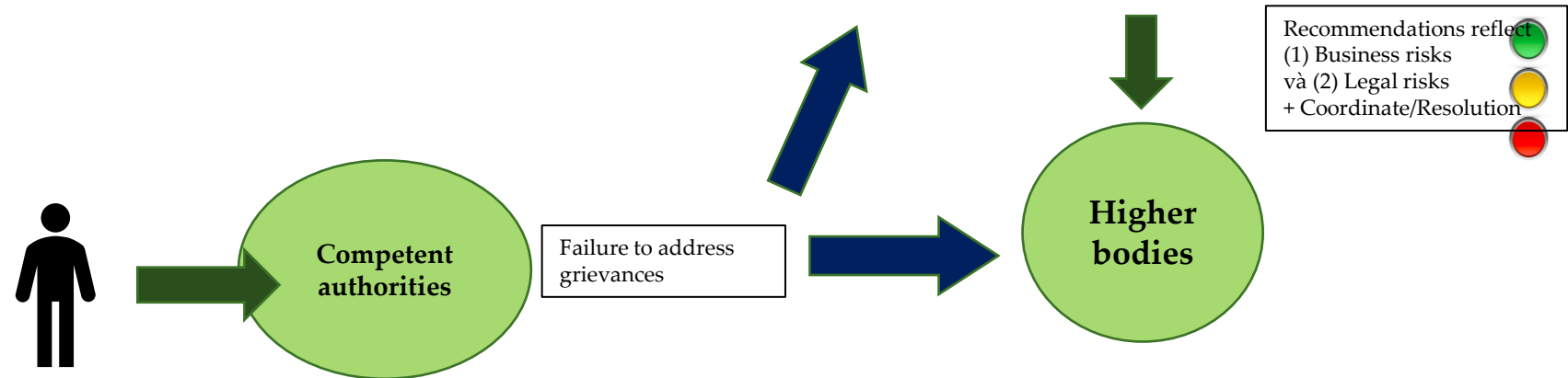
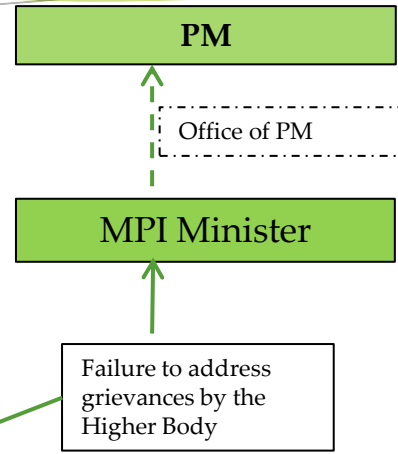
SIRM pilot



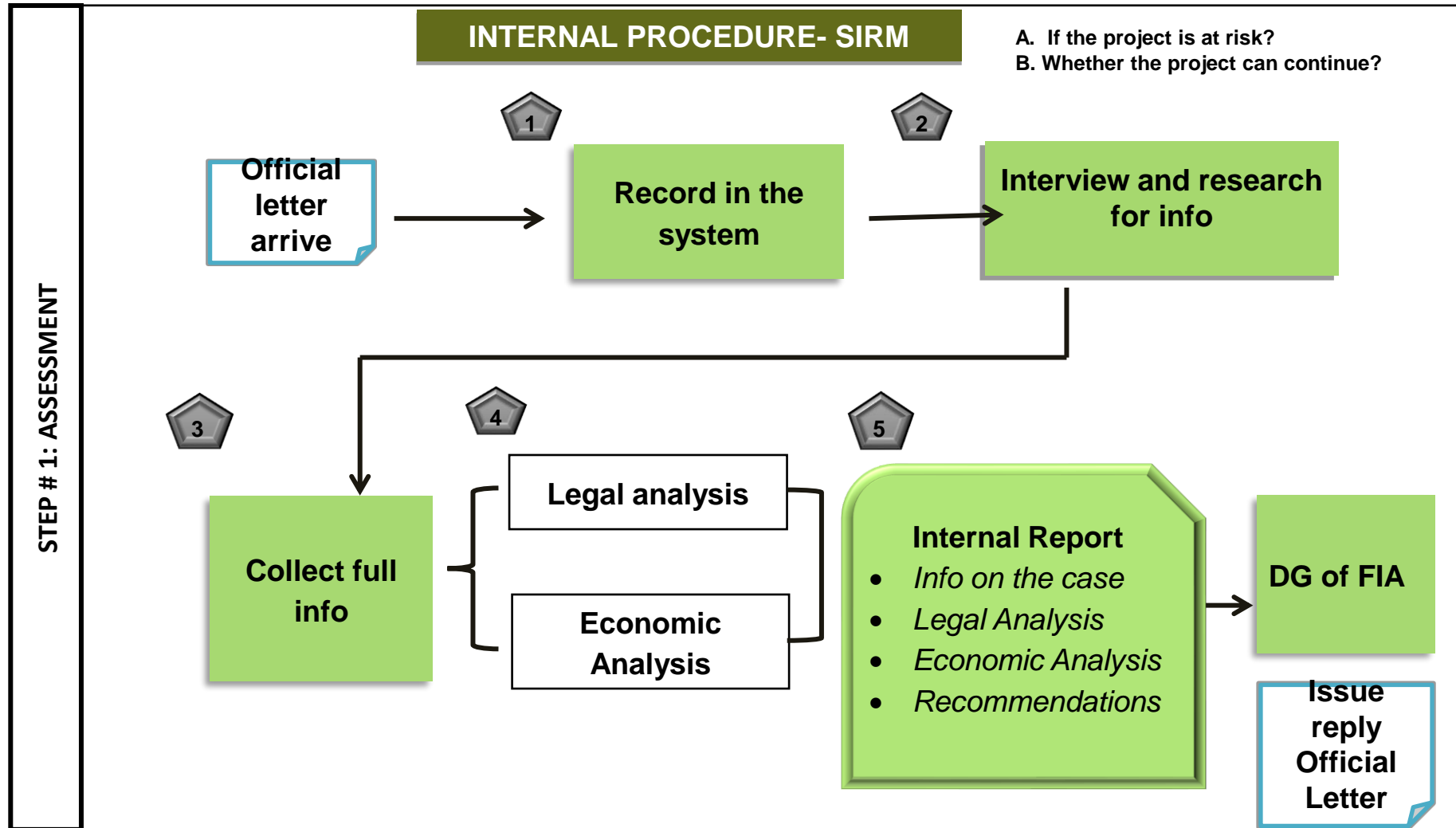
SIRM pilot

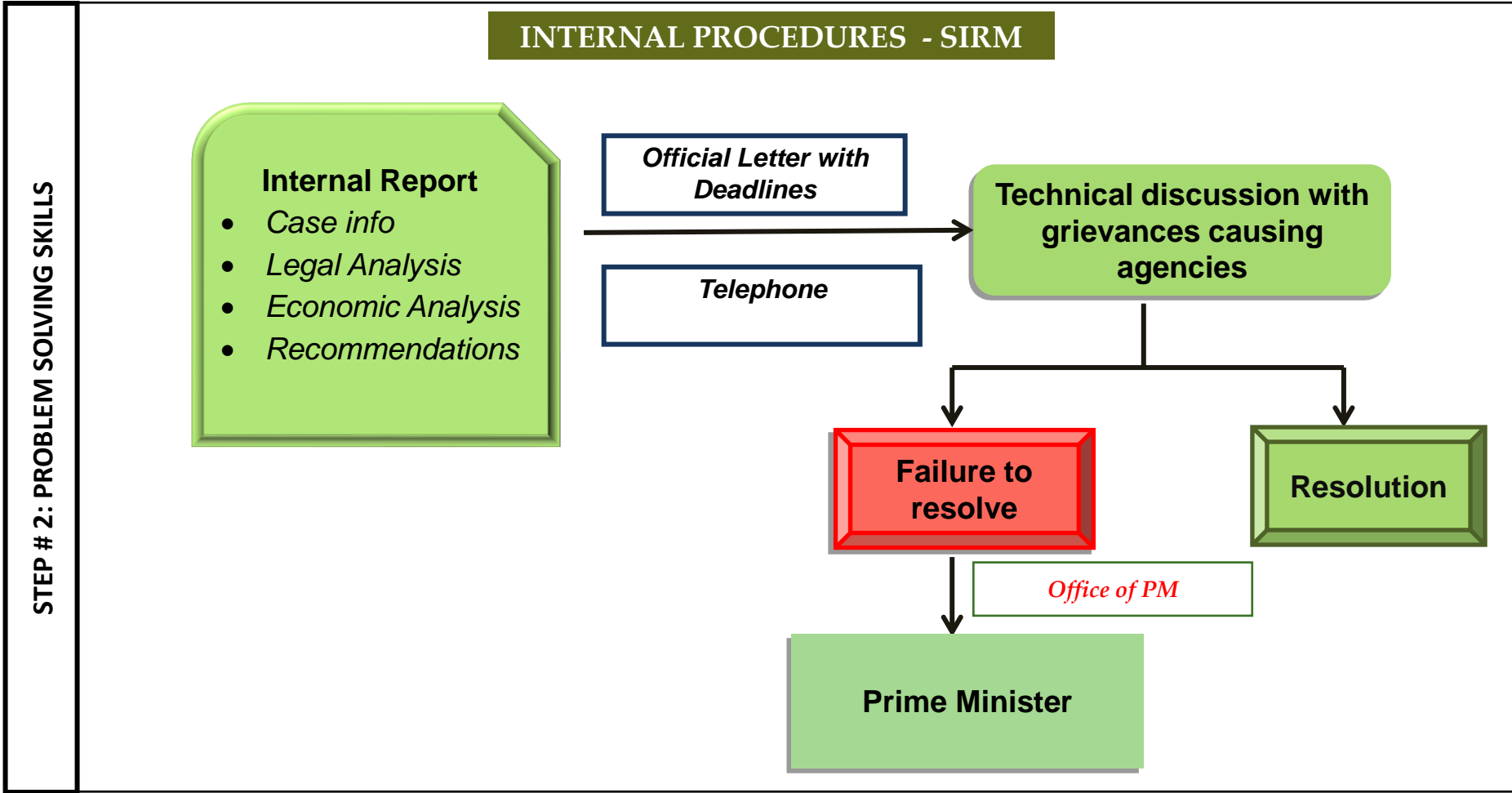
(Procedures for dispute prevention)

Project implementation team
Oversight: DG of FIA
Contact point: Statistics and Information Division
Specific Tasks:
 1. **Recognize Problem:** FIA, Legislation, SEZ Dept
 2. **Monitor:** FIA
 3. **Screening**:** FIA, Legislation, SEZ Dept (in consultation with Dept of Int'l Law MOJ)
 4. **Recommendations:** Team Members
 5. **Monitoring the Higher Bodies to address Problems:** DG of FIA and Team Members



* Assistanes by WB experts(temp.)
 ** High risks cases: check compliance with IIAs





STEP # 2: PROBLEM SOLVING SKILLS

Outcome of the Pilot Project (1 year)

- Collected 41 grievances of 39 investors from 15 countries
- Analysis:
 - 25 cases: transfer to After-Care divisions
 - 16 cases: potential ISDS
- Submit 7 resolutions to the Prime Minister

Legalization of SIRM

- LoI 2020
 - Art. 14 “Resolution of disputes in business and investment”
 - Art. 69.2.d “Develop and submit to competent authority for approval of a mechanism to resolve grievances by investors, preventing dispute between investors and states”
- Decree 31/2021/NĐ-CP (Art. 9)
- Handbook on investment obligations



Thank you!

