



CASE STUDY

Developing Dynamic Legal Services

Decree puts foreign and domestic law firms on an even footing



Photo: STAR

USAID conducted a workshop on liberalizing legal services in Vietnam.

Far from inhibiting the development of Vietnamese law firms, in fact, the new regulations have helped local firms prosper as the Vietnamese economy grows and trade, especially with the United States, expands.

Challenge

In practice, Vietnam's law firms have operated in a relatively open environment. But several restrictions were in place that limited the services foreign law firms could provide to their clients. Foreign lawyers, for example, were not allowed to advise on Vietnamese laws or hire Vietnamese lawyers. The regulation was meant to force them to create partnerships with Vietnamese law firms, but it created a barrier to the development of a dynamic legal sector. Such restrictions were also in violation of the U.S.-Vietnam Bilateral Trade Agreement.

Initiative

In 2002, USAID worked with the Ministry of Justice to develop a new Decree on Foreign Lawyers, which would give foreign law firms many of the same rights as Vietnamese firms. USAID provided the ministry with

comprehensive but targeted assistance for reform, including making detailed comments on drafts of the decree, supporting workshops to gather comments from businesses and related ministries and arranging a study mission to China so key members of the drafting team could gain perspective on how other countries regulate legal services.

Results

The new Decree on Foreign Lawyers was approved in September 2003. Foreign law firms can now hire Vietnamese lawyers and provide services on Vietnamese as well as international law. While foreign lawyers cannot represent clients in court, they can advise on Vietnamese law, provided they have an eligible law degree and pass the same bar exam as Vietnamese lawyers. Far from inhibiting the development of Vietnamese law firms, in fact, the new regulations have helped local firms prosper as the Vietnamese economy grows and trade, especially with the United States, expands. In fact, many Vietnamese lawyers have been leaving foreign law firms to work in Vietnamese law firms — a clear sign of a stronger, more equitable and broader-based system of legal services where clients can choose freely between foreign and local legal representation.