

## 2021 VIAC's ARBITRATION SERIES

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# CHOICE OF SEAT OF ARBITRATION FOR VIETNAM-RELATED DISPUTES

Sharings about arbitration practice in Vietnam and Singapore



2 PM, 25th (Fri) June 2021



Livestream on Zoom platform

01

What to consider when choosing a seat of arbitration for contracts with foreign elements in Vietnam?

02

Practical issues in arbitration procedures regarding seat of arbitration





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# CHƯƠNG TRÌNH

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Time		Content
2pm- 2.10pm		Opening Speech
2.10pm – 2.40pm	<ul> <li>What to consider when choosing a seat of arbitrator for contracts with foreign elements in Vietnam?</li> <li>The nature of seat and legal consequences of selecting a seat?</li> <li>What the parties should consider in the selection of the seat of arbitration?</li> <li>What the arbitrators should consider in the selection of the seat of arbitration in the absence of the parties' agreement?</li> </ul>	
	Keynote Speaker	<b>Mr. Dang Xuan Hop</b> – Chairman of HopDang's Chambers, VIAC's Listed Arbitrator
	<ul> <li>Drafting an arbitration?</li> <li>Most crucial</li> <li>Experts shar role of the selecting a selection</li> </ul>	in arbitration procedures regarding seat of arbitration.  explicit or implicit arbitration agreement on the seat of Advantages and legal risks in practice?  factors influencing the choice of the seat of arbitration; re a Decision which showcases the supporting or supervising Court of the seat; and comment based on the criteria of seat of arbitration; oping effective?
2.40pm – 3.40pm	Moderator	<b>Mr. Dang Xuan Hop</b> – Chairman of HopDang's Chambers, VIAC Listed Arbitrator
		<b>Mr. Edmund J Kronenburg</b> – Managing Partner of Braddell Brothers LLP, VIAC's Listed Arbitrator
	Panelist	<b>Mr. Doan Nhat Minh</b> – Senior Associate, VILAF
		<b>Ms. Dao Nhu Ngoc Linh</b> – Counsel at VIAC Secretariat
·3.40pm – 4.10pm		Q&A
4. <u>1</u> 0pm – 4.20pm		Closing Speech

### HOP DANG'S CHAMBERS ARBITRATION & LEGAL EDUCATION

### Choosing the seat of arbitration

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### Purposes of presentation

- The concept of the seat of arbitration
  - Seat/place/venue etc.
- Factors to consider when parties choose the seat; and
- Factors to consider when the tribunal chooses the seat.

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### Context

- Contract being negotiated between two parties from two different countries e.g. a Vietnamese party and a French party;
- Options for seat of arbitration:
  - Vietnam?
  - France?
  - Singapore (third neutral)? or
  - Not stated.

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### Context

- Often (not always) not relevant for disputes between only domestic parties, governed by domestic law, all within one country.
- Note that in Vietnam:
  - The choice of a city/ province as the seat may be important in determining the court / enforcement agency having jurisdiction.

### Context

- Disputes arising out of this contract shall be resolved by arbitration at the VIAC by [3] arbitrators ....
- The seat of the arbitration is ...
- The language of arbitration is ...
- The governing law of the contract is ....

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### The SEAT

- If you don't specify a seat in the arbitration clause, it may be like driving blindfolded!!
- If there is a dispute, you may be in for a lot of uncertainties / difficulties.
- So what is it?

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### What is the seat of arbitration?

- The <u>legal system</u> in which the arbitration agreement exists:
- A fish in a fish tank: find a picture of this!

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### How is the seat chosen?

- It could be chosen by the parties directly by stating in the contract:
- "Disputes arising out of or in connection with this contract shall be resolved by arbitration at the VIAC. The seat of arbitration shall be Singapore ....".

### How is the seat chosen?

- Less ideal: it could be chosen by the parties indirectly through choosing the arbitration rules of an institution:
- SIAC Rules 2013 (now replaced):
- The parties may agree on the seat of arbitration. Failing such an agreement, the seat of arbitration shall be Singapore, unless the Tribunal determines, having regard to all the circumstances of the case, that another seat is more appropriate.

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### How is the seat chosen?

- If not agreed by the parties, then, the Tribunal will choose.
- "The place of arbitration shall be as agreed by the parties. Otherwise, the Arbitral Tribunal shall determine the place of arbitration it considers appropriate.

(VIAC Rule 22.1)

### Functions of the seat

- Determining the nationality of the arbitration which helps identify:
  - The procedural law that governs the arbitration;
     and
  - The local courts that will supervise the arbitration / set aside the award.
- Without the seat, no one knows what to do!
- "You will fail the exam if you don't specify the seat in the award!!!"

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### Seat v. Place v. Venue

- The <u>seat</u> of arbitration is the <u>legal</u>
   <u>birthplace</u> of the arbitration, determining
   its nationality;
- Also often called "place of arbitration".
- Contrast the <u>place/venue</u> of the hearing is simply the physical location where the hearing or other steps of the proceedings take place.

### Seat v. Place v. Venue

- Personally, to avoid confusion, I would use:
- "seat of arbitration", not "place of arbitration"; and
- "Venue of hearing", not "place of hearing".

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# Please avoid confusion like in *P&ID v. Nigeria*

- ... if any .. dispute arises, ... a Party may serve on the other a notice of arbitration under the rules of the *Nigerian Arbitration and Conciliation Act* (Cap A18 LFN 2004).
- The <u>venue of the arbitration</u> shall be London, England.
- Different courts have different views on the meaning of this!
- US\$ 6.6 billion at stake!

### Is VIAC a seat?

- The VIAC is not a seat. It is only an office / an institution. It is not a "legal system".
- After specifying the VIAC, you still need to choose the seat:
  - Vietnam
  - France
  - Singapore
  - etc

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### Practical examples

- If the seat is Vietnam, the award must be issued within 30 days from the hearing date. If the seat is Singapore, no time limit.
- If the seat is Vietnam, the award could be set aside if the tribunal relied on "false evidence". If the seat is Singapore, no such ground.
- If the seat is Vietnam, probably the statutory limitation period is 2 years. If the seat is Singapore, it may be longer, depending on the governing law of the contract.

### Factors to consider

- Parties:
  - Neutrality!
  - Quality of the legal system;
  - Quality of the court system;
  - Quality of the legal profession;
  - Quality of the arbitration profession and ancillary services.
  - Quality of the award enforceability (New York convention country?)
  - Which seat do the parties like/trust the most for your contract???

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### Seat in Vietnam or another country?

- Different parties, different perspectives!
- Regarding enforcement:
  - If enforcement in Vietnam, having a Vietnam seated arbitration/award will avoid the recognition process for foreign arbitral awards.
  - If enforcement in another country, perhaps better for it to be seated in that country?

### Choice of a foreign seat

- Pros
  - Quality of legal system, court and arbitration systems;
  - Quality of award for enforcement;
- Cons
  - Inconvenience?
  - Costs?
  - Lack of familiarity with the legal system, the court system.
  - The need to engage foreign lawyers;
  - The need for the award to be recognized and enforced in Vietnam.

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### Vietnam or Singapore?

- Impossible to give a "one size fits all" answer. It all depends on the contract, the parties' perceptions and the relevant circumstances at the time.
- Sharing a story.

### Factors to consider

- Tribunals:
  - Often starting with the rules:
  - VIAC Rule 22.1
  - The place of arbitration shall be as agreed by the parties. Otherwise, the Arbitral Tribunal shall determine the place of arbitration <u>it</u> <u>considers appropriate</u>.

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### Factors to consider

- SIAC Rule 21.1
- The parties may agree on the seat of the arbitration. Failing such an agreement, the seat of the arbitration shall be determined by the Tribunal, <u>having regard to all the</u> circumstances of the case.

### Factors Tribunals take into account

- Proximity between the potential seat and the parties / transaction / arbitration agreement;
- Quality and efficiency of the process;
- Enforceability (New York convention).
- Neutrality;
- Other relevant considerations on a case by case basis.

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### **Conclusions**

- Key elements in an arbitration clause:
  - Institution
  - Seat
  - Governing law
  - Language
- The <u>seat</u> goes to the heart of the award, determining its nature and enforceability. It needs to be chosen carefully.
- Discussion time!

### 2021 VIAC's Arbitration Series

Webinar 04: Choice of seat of arbitration for Vietnam-related disputes – Sharings about arbitration practice in Vietnam and Singapore

#### Panel:

- Dang Xuan Hop Chairman of HopDang's Chambers, VIAC's Listed Arbitrator
- Edmund J Kronenburg Managing Partner of Braddell Brothers, VIAC's Listed Arbitrator
- Doan Nhat Minh Senior Associate, VILAF
- Dao Nhu Ngoc Linh Counsel at VIAC Secretariat

No.	Q&A		
1	As far as I read th	As far as I read the 6th edition of Redfern & Hunter (a gift I got from VIAC), it is now encouraged that	
	Parties to agree on seat of arbitration to be a specific city (of a nation). I am wondering whether such		
	agreement implie	es agreement on both seat of arbitration and location of hearings? the interpretation	
	of such implied a	agreement is of importance as in law of commercial arbitration in Vietnam, if parties	
	have agreement	on location of hearings, the arbitration tribunal could not override such agreement.	
	Is that regulation	the same in other jurisdiction / other rules of arbitration?	
	[Mr. Hop]	Basically, the question got three parts to it: first part is the choice of a city as opposed to	
		the choice of a country or a legal system we talked about and what does that mean; the	
		second part is whether the choice of a city also implies both seat and venue; and third	
		under the Vietnamese law if the parties have agreed on a particular matter, like the	
		location of the hearing, the tribunal could not override that, is that the same in other	
		countries?	
		Choice of a city as opposed to the choice of a country: As I was saying in my	
		presentation, as far as Vietnam is concerned, it would be nice to know in advance which	
		court you will go to. So you choose Hanoi for example, you put the agreement not only	
	in the legal system of Vietnam as a whole, but also you know that you will go to the court of Hanoi if you have any issues as opposed to having a fight over which court will have jurisdiction.		
		I recently had a case, so the institution asked me to handle the case, and the agreement	
		specifically said "There shall be physical hearings to take place in Ho Chi Minh City",	
		that's what they say in the contract. I had to decline because I can't do it. The institution	
		was trying to convince me that, but in this day and age, there's got to be an implied term	
		that if this is not physically possible then you can do it online. I said "Well, I cannot run	
		that risk, if others can do it for me then." I decline the case for three others in Ho Chi	
		Minh City, but if the parties have agreed, it's very hard for me, and why should I do it? I	
	do not see the rationale, unless there are exceptions.		
	[Mr. Edmund]	The choice of a seat should refer to a legal jurisdiction. If the legal jurisdiction is a city,	
		then you specify the city, if the legal jurisdiction is the country, you specify the whole	
		country, like Singapore, you can specify Singapore. The presumed location of the	
		hearing, if it's not specified most tribunals will start form the premise that it will be in the	

No.	Q&A		
		same location as the seat. So if the seat is Singapore, they will presume Singapore is the location of the hearing. But the Tribunal should still ask the parties "Is this the most convenient location, are there any better locations?" and you can have the hearings in different locations. I had an arbitration where we had part of the arbitration in Singapore, part of the arbitration hearing in California, actually. It really depends sometimes where the witnesses are. There's a sort of presumption but you can, you should in fact, as the Tribunal, ask the parties where they want to have the hearing.  Can the Tribunal override the parties' agreement? The Tribunal has a say in the entire process obviously, but if both parties are saying "We would like to have the hearing in Hawaii", the tribunal should try to give effect to that, unless he has major problems with Hawaii, for example he's allergic to the sun and sea and the sand. In which case he would say "Well that puts me at health risks and I do not want to fly there". Or they want to have the hearing in Moscow and there are people in Moscow out to kill him and he does not want to go there, then he should just tell the parties "I would love to give effect to your agreement but I have a problem"	
	[Ms. Linh]	Personally, to me, such an agreement on a particular city of a country does not necessarily imply the hearing venue. Because obviously the parties want a particular city as a seat of arbitration means referring to the legal system as Mr. Kronenburg just mentioned. Especially, in the context of Vietnamese Law on Commercial Arbitration, the choice of a particular city as the seat of arbitration also has the meaning of determining the competent court supporting and supervising the arbitration as well. So, I do not think it necessarily implies the hearing venue. However, I have to agree with Mr. Kronenburg that if the tribunal has a power to decide on the hearing venue, then they may take into account the parties' choice of seat in order to make an appropriate decision on the hearing venue. If the parties have an express agreement, not implied one, on hearing venue, the tribunal shall acknowledge such express agreement.	
	[Mr. Minh]	In other countries, it may be important to determine the seat of arbitration to be a specific city, because it may be a federal state, then each state has a specific and separate legal system and legal court, which may be important in some nations.	
2	It is by law that there is distinction between place of arbitration and venue of hearings/meetings in arbitration. But in practice, is such distinction distinct? I once had a case at VIAC, no agreement on place or venue, the claimant filed the case in Hanoi and the Tribunal decided the place and venue to be Hanoi; then I had another case at VIAC but we filed the case in HCMC, then the Tribunal decided place and venue to be HCMC. I don't see such distinction. Could you please explain.		
	[Mr. Edmund]	I think in Vietnam, the peculiarity that I might not be the best person to comment on this problem, but I will see for international audience. In Vietnam, you have to be careful on where you find and what you regard as "the seat". Because there are specific laws.	
	[Mr. Hop]	I think just because in your two cases that the tribunals decided that the seat is the same as the present following, does not mean in the next case the decision should be the	

No.	Q&A	
		same, it would depend on the accountancy. Legally speaking, there are different things as we're talking about it for a long time. I think in this day and days, with virtual hearing and everything, they are going to be really distinctive. Because there's no more physical place, it'll all be on Zoom, so you need to see those two different than physical hearing.
	[Ms. Linh]	It is hard to draw the distinction by the default provisions in Vietnamese law on commercial arbitration. Because although there is a definition of place of arbitration, it is not too clear about the seat. It's not about the term here, but there is a definition of the place or the seat of arbitration. However, there is no definition of hearing venue, the only provision I can draw your attention to is the article 3, paragraph 8 of the law on commercial arbitration which says: "If a place of arbitration is Vietnam, the award is considered to be rendered in Vietnam, regardless of the hearing venue". So may be by virtue of this provision, you can see the differences between seat of arbitration and hearing venue. Apart from the default provision in the law, there are another way to draw the distinction between these two concepts, placing on the consideration of the implication thereof. For example, regarding seat of arbitration, we refer to the legal system, procedural law, court system and enforcement route; whereas the hearing venue has other considerations, such as the convenience for the members of the tribunals, for parties, and other participants of the arbitral proceedings as well as associated expenses.
	[Mr. Minh]	In case the parties have no agreement on the place or the venue of the arbitration, the tribunal must decide which location, place or venue is appropriate. You do not give us full context of your cases, what you say is that the first case, you find the case in Hanoi, and the other case you find it in HCMC. Just my guessing, but I think that there are some kinds of connections between each case to the venue of the hearing or the place of arbitration. So, for example, in the first case, both parties are in HN, or in the second case, the projected office or the place where the contract is performed is HCMC, and may be the tribunal they based on the context of the case to decide the place or the venue of the arbitration is in HN, and for the second one, HCMC, but it's just my guessing on that. But I can confirm with you that they are still separate issues and concepts under the law of Vietnam.
3	There is a draft of resolution by the Vietnamese supreme court regarding the recognition and enforcement of foreign arbitral decisions. According to the draft, only final awards could be recognized and enforced in Vietnam; foreign provisional measures will not either be recognized or enforced. May I ask whether such draft regulation against international commitment of Vietnam? If I choose Singapore as the seat for my dispute and SIAC as the arbitration centre; is it the situation that a SIAC interim measures, in case the draft is passed, will be denied in Vietnam? If we could not change such regulation, may I choose VIAC to remedy the situation, of course the seat is Singapore.  [Mr. Hop]  My understanding, and I'd be happy to be corrected, is that so far the Vietnamese court take a, in my view, rather strict view of the concept of award, and it's got to be a final	
		award. And that's partly because, I think, the Vietnamese Law on Commercial Arbitration

No.		Q&A
		defines what a final award is. So if you want something that is not final and the court
		says "Not to do with me, I don't know what this is, please go away.", is that true? Have
		you had any experience trying to enforce an interim decision like that from overseas in
		a Vietnamese court and whether you have been successful if at all?
	[Mr. Minh]	I think there are two issues with this question. The first one is, as you say, whether the
		VN court and the Vietnamese law allows for the recognition and enforcement of interim
		measure, which is normally not the final award. And the answer No, under the
		Vietnamese law, only the final award can be recognized and enforced in Vietnam.
		But for the interim measures, there is another aspect to this question, I think, it is whether
		the Vietnamese court has the power or jurisdiction to support an SIAC arbitration with
		regard to some interim measures in Vietnam. Because, as a principle, the court who will
		have the power to handle the request for interim measures will be the court where the
		asset or where the interim measure is being applied. So, for example, this is a dispute
		between a Vietnamese party and a Singaporean party administered by the SIAC, and
		the Singaporean party wants to apply for the interim measure of a building or a land of
		the Vietnamese party in Vietnam. So, whether they can do it or they can find the interim
		measure to do it in this call. And the answer is uncertain, because, under the Vietnamese
		law, there is no express provision that requires the Vietnamese to support the SIAC
		arbitration in such case. And as far as I remember, there is a handbook of arbitration,
		negotiation and reconciliation, issued by the Supreme Court of Vietnam and the World
		Bank Group in 2017, in which you can find some kinds of implications that the
		Vietnamese court may only support the arbitration that takes place in Vietnam. So, I have
		some case like I have described before, for example the Singaporean party and the
		Vietnamese party, and the Singaporean party wants to apply for the interim measure in
		Vietnam, and it was not successful. That's what I can share with you.
	[Ms. Linh]	To answer directly to the question, the solution of switching the choice of institution from
		SIAC to VIAC does not resolve the problem at hand. Because the seat of arbitration
		determines the legal system and the court system that provides support and supervision
		over the arbitral proceedings, and not to concern the arbitration institution, whether it is
		VIAC or SIAC. So, I think that is not the solution.
		What I think the parties may consider is, when they have the seat of arbitration in
		Singapore, you can determine that the Singaporean court is the competent court over
		the arbitral proceedings, therefore, they are competent in dealing with the request for
		application of interim measure. Once a decision on the application for interim measure
		is issued and they have problems in enforcing it, there might be some sort of cooperation
		or collaboration in this regard between the legal system and national court of Singapore
		and Vietnam in order to support in enforcement of such kind of interim measure. So, I
		think it might be one solution that the party might consider. If you can somehow foresee
		and predict the place where you need to seek enforcement of arbitral awards or
		and Vietnam in order to support in enforcement of such kind of interim measure. So, I think it might be one solution that the party might consider. If you can somehow foresee

No.	Q&A		
		application of interim measures, then you should choose that as a seat of arbitration in order to enable your wish.	
4	Different seats may have variations in the obligations of the tribunals and parties, for example duty		
	of confidentiality	. Vietnam and Singapore law listed this duty by default, but other "safe" seats like	
	Paris don't have	this duty in their laws. As I am a practitioner mainly in listed company which often	
	requires confide	ntiality in dispute resolution, so should my company choose such jurisdictions to	
	be seat of our dis	pute? In such situation, do we need a non-disclosure agreement among the tribunal	
	members and the	e parties to ensure confidentiality?	
	[Mr. Edmund]	This is one clear example of consideration you should take into account before choosing	
		the seat. In VN, Singapore and other jurisdiction, arbitration are confidential, but if you	
		think that French arbitrations are not confidential, that is a negative point against French	
		arbitration, especially if you want to keep the dispute from getting to the press or if it	
		deals with some business secrets. Let's see you don't have a confidential arbitration,	
		what can you do? You can still ask whether the tribunal would make an order that the	
		parties would keep the proceedings and all the documents confidential. Then it's up to	
		the tribunal whether they can make the order depending on the power of the tribunal and	
		the law of the seat, even if it is not a default provision, "Do I have the power to do that?	
		Should I do that to promote the parties' interests in the case?". So if the tribunal agrees	
		to do that, then it's the question whether you can enforce that. It comes back to whether	
		the court's willing to enforce such an order made by the tribunal. So again, a lot of things	
		just fall back to the choice of seat. More of a story to choose your seat carefully.	
5	As you may know	w, the ODR in international arbitration has been made feasible under the impact of	
	the COVID 19 pa	andemic. In case the parties have yet to determine the seat of arbitration in the	
	arbitration agree	ment and the parties bring their dispute to VIAC or SIAC and the procedures would	
		a virtual or online manner entirely. In this case, what approach do we have to	
	determine the se	at of arbitration?	
	[Mr. Hop]	I think, from my perspective, whether you have the hearing online or in real life has no	
		relevance on the choice of seat as we have been talking about so far. So, if you do not	
		specify the seat in the agreement, the tribunal has to do it based on the factors we talked	
		about earlier. But it is advisable for the parties to choose the seat in advance, whether	
		Vietnam or Singapore or elsewhere, so that when we come to conduct the proceedings	
		online, we will do so online but in the shadow of that particular system governing the	
		proceedings as a method of procedure.	
6	Is an arbitral aw	ard issued by a tribunal of VIAC using Vietnamese law as the law of the seat a	
	domestic or fore	ign one? As I can see, it is a domestic award under Vietnamese arbitration law but	
	a foreign one u	nder New York convention. Since determining whether an award is domestic or	
	foreign impacts	ts enforcement procedure, I look forward to hearing the experts' opinions.	

No.	Q&A		
	[Mr. Hop]	My personal view on this matter is that under both the Vietnamese law and the New York	
		Convention, these are domestic award with the seat in Vietnam. But others and the court	
		may disagree, so there is a bit of uncertainty in this situation.	
		may along too, so those to a six of uncortainty in this citation.	
7	I am an in-house	lawyer of a big manufactures in Vietnam, to be honest, I am not familiar with either	
	Vietnamese or S	ingaporean arbitration in practice though I did read quite a lot about arbitration (I	
	participated in m	nany events by VIAC). Needless to say Singaporean arbitration is at its advanced	
	developments a	nd many foreign laws on arbitration are more efficient than Vietnamese ones.	
	However, when	in Rome do as Roman do is a conventional rule. I do understand there are	
	advantages and	disadvantages of selecting the procedural law to be Vietnamese or Singaporean;	
	therefore, I am th	ninking of the possibility that there could be some kind of alliance or joint venture	
	of VIAC and SIAC	C so parties in arbitration could have both. Is that even feasible?	
	[Mr. Edmund]	I think it is an interesting idea but also quite problematic. Again, VIAC doesn't necessarily	
	-	mean a Vietnam seat, SIAC doesn't mean a Singapore seat. You could have a Vietnam-	
		seated arbitration governed by the SIAC rules. So, each institution will come up with their	
		own rules to suit their particular circumstances. But I think what would be a little bit more	
		interesting is whether the two jurisdiction, Singapore and Vietnam, the legal systems,	
		could work together to support one another. If you have, for example, a VIAC arbitration	
		seated in Singapore and the tribunal makes some sort of conservatory or protective	
		measure to order security or to make an injunction, that order can then be taken to the	
		Vietnamese courts for it to enforce to support the VIAC arbitration that is happening with	
		Singapore as the seat. I think that will be really interesting and that requires not the	
		discussion between VIAC and SIAC, that is the discussion between the Singapore court	
		and the Vietnam court. If we can get the discussion going, not only between Singapore	
		and Vietnam, but Singapore, Vietnam, Indonesia, Thailand, everyone in ASEAN,	
		because we are all in this part of the world, we should all help one another. If we could	
		get that discussion going, it would be simply excellent.	
	[Mr. Hop]	My personal tip from pending those discussions taking place as Edmund was	
		contemplating, I think for the moment it is much safer to choose one particular seat. But	
		when you mix the two you have quite a bit of a problem, it's like marrying two women or	
		two men at the same time. You want to be very careful. Just choose one, one is enough	
		for the moment.	
	[Ms. Linh]	I totally agree with what has been said by Mr. Kronenburg. It is very difficult to take	
	[M3. LIIII]	advantage of both seats of arbitration, especially because both two countries and their	
		legal systems are separate and unique, so not to mention it's quite impossible to take	
		advantage of both seats of arbitration. However, apart from what has been said by Mr.	
		,	
		Kronenburg, for your information, VIAC and SIAC have been engaging each other in	
		many of the joint activities in order to provide more insights into arbitration-related issues	
		in both countries so as to better prepare our users for their arbitral proceedings so that	
		they will be ready if they have to sometimes go to arbitration. And also the solution to	
		your question is to carefully study the specific features of your transactions and potential	

No.	Q&A		
		disputes that might arise during the course of your transactions as well as to take into	
		account all the other relevant factors as previously mentioned by our speakers.	
8	From the speakers' presentation, I personally think it is hard for Vietnamese judges to separate		
	place of arbitration	on as a legal home from the physical location of the hearing. May be there is a risk	
	of the award beir	ng annulled in case the place of arbitration and the physical location of the hearing	
	are different?		
	[Mr. Minh]	So theoretically speaking, and in practice we have seen cases and some comments from	
		the practitioners that it may be confusing and difficult for Vietnamese court to differentiate	
		between the place of arbitration and the venue of the hearing. However, it is not quite	
		popular these days, especially in case the modern and advance courts like in Hanoi or	
		HCMC or Danang or some other courts. So in case you have to convince the court that	
		they are two different issues, you should try to make it as clear as possible with reference	
		from the decisions of other courts, like the Hanoi courts or HCMC courts for these courts	
		to see that they are kinds of the separate issue. If you can find some kinds of cases from	
		the higher-level courts, like the High Court, or even the Supreme Court, they would be a	
		reliable source to be convinced by your opinions.	
	[Ms. Linh]	The question may create a dawn impression of choosing Vietnam as the seat of	
		arbitration because of the potential risk of enforcement of the final award if the court	
		misunderstands or confuses between the two very basic concepts. We are a very young	
		jurisdiction in arbitration and it is still developing. In the course of that, VIAC has been	
		continuously working closely with the court system and all the local courts in order to	
		ensure that they understand to the best of their content and to understand most of the	
		basic concepts and not to misunderstand or confuse when considering or review the	
		arbitral award. So we are still keeping that kind of collaboration and cooperation channel	
		in order to support and brighten the future of arbitration in Vietnam.	
9	On the basis of t	he delocalization theory, would you think that one day the seat could be abolished	
	from arbitration,	or in other words, the seat will evolve into something international/supranational.	
	[Mr. Hop]	I think this concept was raised 25 years ago, and in my view, I think it has since then	
		been dead. You cannot be driving without a traffic law; how would you drive without a	
		traffic law hanging over you? You must know what to do. That is my view, it will not go	
		away, it is here to stay, and based on current legal frameworks. But I am interested to	
		see if other panellists disagree with me.	
	[Mr. Edmund]	I agree with Mr. Hop. As I said, the arbitration agreement is nothing without the law that	
		gives it force, so you need to know what the law is. The law is influenced by the seat or	
		determined by the seat. If you do not have a seat, you do not have a law, and if you don't	
		have the law then the arbitration agreement is written in water. And by the same token,	
		I am just going to try and jump on another question at the same time. If the courts at the	
		seat set aside an award, they are effectively saying it never took place, and so the law	
		withdraws its support for the award and the arbitration, and therefore the arbitration is a	

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		nullity. So, it all goes together: you need the seat because it tells you what law gives
		force to the arbitration agreement.
10	When there is a conflict between the provisional regulations of VIAC rule and the mandator	
	regulations stipu	lated in the Singaporean law, how can it be dealt with?
	Mr. Edmund	Singapore is a model law country so a lot of provision in Singapore are not mandatory
		in the sense that, there is a default position, but the parties can agree otherwise, so you
		listen to the rule to tell you what the parties agree, either under the rule or what is actually in the arbitration. But if it is a mandatory provision in Singapore law, e.g., the arbitration
		agreement must be in writing, no other rules could undo or contest that. You must give
		effect to the Singapore laws regardless of what the rules say.
11	As vou said earlie	er: since April 2020, how effective did online courts in Singapore perform, compared
		court before? And what is most challenge?
	[Mr. Edmund]	From my experience, it is highly effective, not because I am a Singaporean, but we are
	[IIII Zamana]	able to make our arguments, we are able to address the judges, we save a lot of time
		travelling to the court, we can do this from our offices or from home. The biggest
		challenge: showing documents to the court to ensure that the court is on the same page.
		So, we have to use technology to ensure that the court is looking at the same page, the
		most basic of which would be to share the screen, but that's difficult because we control
		what the court can see and what the court can't see. Sometimes it's not really fair, because you miss out the next paragraph and things like that. As a matter of fact, the
		law society of Singapore is working out something to make that a bit better and the
		Academy of Law as well in Singapore. So that's the biggest challenge: showing
		documents to the court and to witnesses.
12	Can you summar	rise your opinion to avoid possible confusion to the audience? Does the choice of
		lection of supervisory court; (ii) procedural arbitration procedure (or mandatory
		governing law of arbitration agreement (under New York Convention 1958) and (iv)
	place of the hear	
	[Mr. Hop]	The choice of seat certainly means it provide record so the court of Singapore would
		provide the proceeding if you choose the Singapore seat. The same go for arbitration
		procedures. The procedures apply as a whole, and the mandatory rules are the rules you cannot opt out of, the mandatory rules certainly apply. Regarding non-mandatory
		rules, you got the option to depart from it, but the whole law would apply as governing
		law over the arbitration agreement.
	[Mr. Edmund]	The arbitration clause in the contract is regarded as a separate agreement from the rest
	-	of the contract, which is called the doctrine of separability. Because it is separated from
		the contract, it got its own governing law. The governing law could be the same with the
		governing law of the contract or it could be different. Whether it is the same or not,
		depending on what stated in the arbitration clause itself. If the arbitration clause said it

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		is governed by the law of a specific law, even if the contract is governed by a different
		law, the arbitration law will still be governed by its own law. If the arbitration clause is
		silent as to what its governing law is, that would be solved out by the courts or tribunal.
		In looking at this factor, is there an implied choice? If it's an implied choice of what the
		governing law is, it's the answer.
13	In case of an or	nline arbitration, where the parties did not agree on the seat in their arbitration
	agreement, such	arbitration is kind of decentralized, as it is conducted in cyberspace; and therefore,
	the seat of arbitr	ation has yet to be determined. Given so, if the parties raise dispute against each
	other on the seat	matter (since it matters to the later enforcement process), on what ground can the
	tribunal determin	ne the seat of such online arbitration?
	[Mr. Hop]	Again, as I was saying before whether it is online or offline has got nothing to do with the
		seat. The seat discussion is a separate matter from the manner of the hearing. If the
		parties have not agreed on the seat, the tribunal will choose a seat for them based on
		the factors we talked about since we started: neutrality, proximity, etc. The Tribunal will
		base on those grounds to choose a seat for the arbitration, whether online or not.
14	Thanks a lot for a	all your insights, they are immensely helpful. I just have a quick question: To make
	it clear in the agr	eement, what would be the appropriate Vietnamese wording for seat of arbitration,
	so that to differe	entiate between the seat and the hearing venue. Normally in Vietnam currently we
	use "địa điểm trọ	ong tài" and I understand that it refers to hearing venue only.
	[Ms. Linh]	I agree that it's not all about the terminology that you may use. Its more about the legal
		concept and definition and interpretation of the law. There is no definition of the hearing
		venue in the law of commercial arbitration, but if you look at the consideration of a
		specific provision on the hearing venue, Art 11.2 of Law on Commercial Arbitration,
		designated specially for the hearing venue, you'll see the all considerations that the law
		has provided that the tribunal may take into account when deciding on the hearing venue,
		which is the convenience for parties, tribunal member, other participants all your insights,
		as well as associated expenses and other considerations think it fits. If you look at those
		implications and the consideration as well as definition of arbitration place in the law, you
		may have an idea how to distinguish and see the differences between the concepts, and
		do not get confused just because of the terminologies.
15	Based on the pri	nciple of separability. How can the Vietnam court set aside the award?
	[Ms. Linh]	The principle of separability is provided in Article 19 of the Law on Commercial
		Arbitration, which states that arbitration agreement is separate from the main contract.
		The change, amendment, extension, cancellation or validity or in operation of the
		contract does not affect the validity of the arbitration agreement.
		The court may set aside award if it falls under any circumstance prescribed in Article 68
		of the Law on Commercial Arbitration.

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16	Our corporatio	n is applying 2 groups of model contracts for international transactions and	
	transactions in Vietnam. The first group contains arbitration clause referring to ICC Shanghai		
	and the other re	efers to VIAC without further clarification on place of arbitration. Is it automatically	
	interpreted that	the place of arbitration shall be China and Vietnam?	
		This is generally not taken automatically as a reference to seat of arbitration in China or	
		Vietnam because this is not an express agreement of the parties on seat of arbitration.	
		Under ICC Rules and VIAC Rules, the tribunal shall have the power to determine seat	
		of arbitration in the absence of the parties' express agreement thereon. In doing so, the	
		tribunal may consider several factors, including but not limited to the place where the	
		arbitration institution office is located, places of the parties, place where the contract is	
		most closely connected, etc.	
		In order to avoid an unexpected decision by the tribunal in this regard, it is recommended	
	that parties specify their choice of seat in the contract.		
17	If an arbitral aw	vard is set aside by the court of the seat, whether the wining party may bring such	
	award to the court of a foreign country for recognition and enforcement because the wining part		
	finds assets of	the losing party in such country?	
	[Ms. Linh]	New York Convention 1958 Article V.1 provides that "recognition and enforcement of the	
		award <u>may</u> be refused if the award has been set aside or suspended by a competent	
		authority of the country in which, or under the law of which, that award was made".	
		Therefore, this depends on the law of the place where recognition and enforcement are	
		sought as well as the view of competent court in such country. Most countries follow the	
		principle that an award that has been set aside by the court of the seat has no legal	
		effect as if it no longer exists, and therefore cannot be enforced. However, some	
		particular courts in France, the Netherlands or England for example, have decided	
		otherwise based on the principle of delocalisation of international arbitration.	

#### \*Disclaimer:

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