

< Reform of the Court System and Jurisdiction over Arbitration Cases in Vietnam >

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One Asia Lawyers Vietnam Office

1. Introduction

The Law on amendments to People's Court Organization Law (hereinafter referred to as "Law No. 81/2025/QH15"), which came into effect on July 1, 2025, has significantly reformed the court system in Vietnam. This amendment, along with subsequent implementing regulations¹, has reorganized the court structure and significantly altered the jurisdictional framework for civil and commercial disputes, including arbitration cases. This article analyzes changes in jurisdiction related to the annulment of arbitration awards² and the recognition and enforcement of international arbitration awards, comparing them with the previous system.

2. Previous Court Organization and Jurisdiction over Arbitration Awards

Prior to effectiveness of Law No. 81/2025/QH15, Vietnam's court system was structured in a four-tier system comprising of³:

- (1) Supreme People's Court
- (2) Higher People's Courts: Hanoi, Da Nang, Ho Chi Minh City
- (3) Provincial People's Courts: Located in all 63 provinces and cities nationwide, totaling 63 courts
- (4) District-level People's Courts: Located in each district, town, or ward, totaling approximately 700 locations

In addition to the above system, there are another line of specialized courts, which is People's Courts of first instance specialized in administrative/intellectual property/bankruptcy cases (hereinafter referred to as "**First-instance Specialized People's Courts**").

Among these, the role of first-instance courts was shared by District-level People's Courts, Provincial-level People's Courts and First-instance Specialized People's Courts⁴, with cases distributed based on their nature and scale. The annulment of arbitration awards and the recognition and enforcement of foreign arbitration awards were primarily handled by Provincial-level People's Courts as the first-instance jurisdiction⁵.

3. Court Organization and Arbitration Jurisdiction After the 2025 Reform

In response, the Law on amendments to People's Court Organization Law (Law No. 81/2025/QH15) reorganized the court system, abolishing District-level People's Courts and establishing new "**Regional People's Courts (Tòa án nhân dân khu vực)**" with jurisdiction over multiple communes.

¹ The Law on amendments to People's Court Organization Law (Law No. 81/2025/QH15) and its implementing regulations, as established by Resolution of the Standing Committee of the National Assembly No. 81/2025/UBTVQH15, and the Supreme People's Court Resolution No. 01/2025/NQ-HDTP.

² For more information on the annulment of domestic arbitration awards, please refer to our August 2024 newsletter, "Annulment of Arbitration Award by People's Court in Vietnam" <https://oneasia.legal/en/5965>

³ Article 4.1 of the People's Court Organization Law 2024 (hereinafter referred to as "Law No. 34/2024/QH15")

⁴ Article 55.1, 59.1, 62 of Law No. 34/2024/QH15

⁵ Article 7.3 of the Law on Commercial Arbitration 2010

These Regional People's Courts will assume the role of first-instance courts. Additionally, the appellate functions of the Higher People's Courts have been integrated into the Provincial-level People's Courts, thereby restructuring Vietnam's court system into a three-tier structure in substance⁶.

- (1) Supreme People's Court
- (2) Provincial-level People's Courts (located in 34 provinces and cities nationwide, totaling 34 courts): First-instance and appellate courts
- (3) Regional People's Courts (355 courts nationwide): First-instance courts

The newly established Regional People's Courts will integrate the first instance court functions of the Provincial-level People's Courts and the District-level People's Courts. Furthermore, by decision of the Supreme People's Court, they may also be granted broad and specialized jurisdiction across multiple provinces in specific specialized fields (such as bankruptcy, civil and commercial cases, intellectual property and technology transfer, and administrative litigation). However, such specialized courts are not a uniform system applicable to all Regional People's Courts. As a result, the Specialized People's Courts will no longer exist since the Regional People's Courts are granted specialized jurisdiction.

Regarding the jurisdiction over the annulment of arbitration awards and the recognition and enforcement of foreign arbitration awards, the Regional People's Courts located in Hanoi, Ho Chi Minh City, and Da Nang among the newly established Regional People's Courts have been designated⁷.

Another notable provision is the establishment of Specialized Courts and International Arbitration Center for International Financial Hubs⁸, in which these dispute settlement bodies shall resolve disputes between Members, or disputes between Members and investors outside the International financial hubs regarding investment and business activities, except for disputes related to the exercise of the State's power. Accordingly, if parties have a written agreement, disputes involving members of the International Financial Hubs may be resolved at the International Arbitration Center of the International Financial Hub, and its decisions or awards are final and binding. The parties may also agree in writing to waive their right to request court annulment, in which case the court will not accept such requests if waiver agreement are made⁹.

This concentration of jurisdiction aims to enhance specialization and standardize court operations, and it can be interpreted as a move to address criticism from foreign investors regarding judicial decisions in Vietnamese People's Courts. Furthermore, from the perspective of enhancing the effectiveness of international commercial arbitration, it is expected to lead to the specialization of judges and the strengthening of their foreign language capabilities.

4. Conclusion

The court system reform in 2025 does not directly alter the arbitration system itself. However, the concentration and specialization of courts with jurisdiction over arbitration-related proceedings are expected to contribute to enhancing the effectiveness and predictability of the arbitration system.

In particular, cases where domestic arbitration awards are overturned by courts or where the recognition and enforcement of foreign arbitration awards are not recognized by domestic courts

⁶ Article 4 of Law No. 34/2024/QH15 amended, supplemented by Article 1.1 of Law No. 81/2025/QH15

⁷ Article 3, Paragraph 2 of Resolution No. 81/2025/UBTVQH15 of the Standing Committee of the National Assembly

⁸ Article 4.1.(d) of Law No. 34/2024/QH15 amended, supplemented by Article 1.1 of Law No. 81/2025/QH15; Article 9.1.(c) of Resolution No. 222/2025/QH15 (issued on 26 June 2025, effective on 01 September 2025)

⁹ Article 30.3 of Resolution No. 222/2025/QH15

have been observed, and addressing this issue has been strongly demanded by foreign investors. We hope that the structural reform of the court system will address the concerns of foreign investors.

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< About the Author > For inquiries regarding this article, please contact

	<p>Chihiro Nunoi Of Counsel, One Asia Law Firm</p> <p>Involved in the launch of Tokai University Faculty of Law and Hitotsubashi University Graduate School of International Corporate Strategy.</p> <p>His interest in Asian law began when he was involved as part of a JICA legal development support project during the revision of economic and corporate law in China. He has visited Vietnam since 2005 and has given lectures at universities in Ho Chi Minh City and Hanoi, as well as submitted opinions on the revision of Vietnam's corporate law and investment law.</p> <p>chihiro.nunoi@oneasia.legal</p>
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	<p>Nguyen Ngoc Anh One Asia Lawyers Vietnam Co., Ltd / Junior Associate</p> <p>She had worked in a consulting firm before joining One Asia Lawyers Vietnam. She had assisted both foreign and domestic clients in investment & corporate matters (establishment, conversion, dissolution, etc.), labor, visa, work permit and temporary residence card. At One Asia Lawyers Vietnam Office, she will be supporting our lawyers to provide legal advice on investment and corporate matters in Vietnam.</p> <p>anh.nguyen@oneasia.legal</p>
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