

A wooden gavel with a dark wood head and a lighter wood handle rests on a white document. The document has the words 'LABOUR LAW' written in a large, black, serif font. A decorative flourish is positioned above the word 'LABOUR'. The background is a blurred wooden surface.

# LABOUR LAW

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■ **VIETNAM LABOR LAW**

Diep Hoai Nam

*August 22, 2025*



# AGENDA

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Overview

2

Misconducts

3

Disciplinary Actions against Employees

4

Labor Dispute Resolution



# I. OVERVIEW

The 2019 Labor Code, which came into effect on January 1, 2021, was enacted with several notable highlights as follows:

- Identify the employment relationship based on its actual nature and provide more detailed regulations on labor contracts.
- Labor representative organizations (expanded).
- Introduce additional regulations on probation (180 days for manager) and working hours.
- Expand the concept of “Labor Discipline” to encompass provisions of law and sexual harassment as a dismissal ground.
- Add the authority of the labor arbitration council to resolve individual labor disputes.



# I. OVERVIEW

- Allow the establishment of labor representative organizations other than trade unions, in response to the implementation of CPTPP:

## Article 19.3: Labor Rights – Chapter 19 Labor of CPTPP

1. Each Party shall adopt and maintain in its statutes and regulations, and practices thereunder, the following rights as stated in the ILO Declaration:
  - a) freedom of association and the effective recognition of the right to collective bargaining;
  - ...

- **Labor Code 2019:**

Representative organization of employees means an internal organization voluntarily established by employees of an employer which protects the employees' legitimate rights and interests in labor relations through collective bargaining or other methods prescribed by labor laws. Representative organizations of employees include internal trade unions and internal employee organizations.



# I. OVERVIEW

## Labor discipline prohibitions

It is prohibited to

- (i) infringing the health, honour, life, prestige or dignity of employees;
- (ii) use forms of a monetary/pecuniary fine or reducing salary; or
- (iii) discipline an employee who has committed a breach which **is not** (i) provided in the Internal Labor Regulations (ILR) or (ii) agreed in executed labor contracts or (iii) provided in labor regulations (e.g., *Article 125.1 of Labor Code*).

Serious misconduct (acts of theft, embezzlement, gambling, or drug use in the workplace) will not require ILRs.

(Arts. 122.4 & 125)



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# I. OVERVIEW

## Labor discipline – Principle

- i. 1 breach = 1 labor discipline measure
- ii. Multiple breaches = 1 **highest** labor discipline measure corresponding to the most serious breach.
- iii. Employer must prove employee's fault;
- iv. Breach must be provided in the ILRs;
- v. Participation of **Labor representative organization**;
- vi. Employee must be present and has the right to self-defend or ask a lawyer or another person to defend;
- vii. Minutes of the meeting must be prepared.

(Art. 122)



# I. OVERVIEW

## Labor discipline – Role of the ILR

The statutory grounds for dismissal are not self-executing.

The specific act of misconduct must be explicitly defined as a dismissible offense within the employer's ILR. For employers with 10 or more employees, a written and properly registered ILR is a non-negotiable legal precondition for applying disciplinary sanctions (***except for*** serious misconduct (acts of theft, embezzlement, gambling, or drug use in the workplace) as provided in Article 125.1 of the Labor Code).



# I. OVERVIEW

## Labor discipline – the Role of the Trade Union / A labor representative organization

*What happens if the company does not have an organization representing employees (such as the trade union)?*

- Skip and carry out the procedure without any organization representing employees?
- Collect opinion from all employees or group of employees representing all employee?
- Seek the presence of higher-level trade union?

## Disciplinary actions against a member of the Executive Committee of a grassroots labor representative organization

- The employer must reach a written agreement with the Executive Committee of the labor representative organization before imposing a dismissal disciplinary action. If a written agreement cannot be reached, both parties must report the case to the provincial-level labor authority. The employer can only proceed with the disciplinary action 30 days after reporting the case to the provincial labor authority.
- The employer is strictly prohibited from discriminating against the employee or the labor organization for their activities (including using dismissal as a pretext for hindering the organization's functions).

*(Art. 177 and 175, Labor Code 2019)*



# I. OVERVIEW

## Labor discipline measures

- (i) Reprimand;
- (ii) Deferral of wage increase for a maximum six months;
- (iii) Demotion; OR
- (iv) Dismissal.

## Dismissal

- Be the highest disciplinary measure, termination of employment contract with immediate effect.
- May be applied as a disciplinary measure only in certain circumstances/grounds as provided in the law. However, employer are able to detail the grounds for dismissal in the ILRs based on regulations of law.
- Requiring strict adherence to both (i) substantive grounds and (ii) a non-negotiable procedural protocol (majority of successful legal challenges by employees stem from procedural failures, not a lack of substantive cause).



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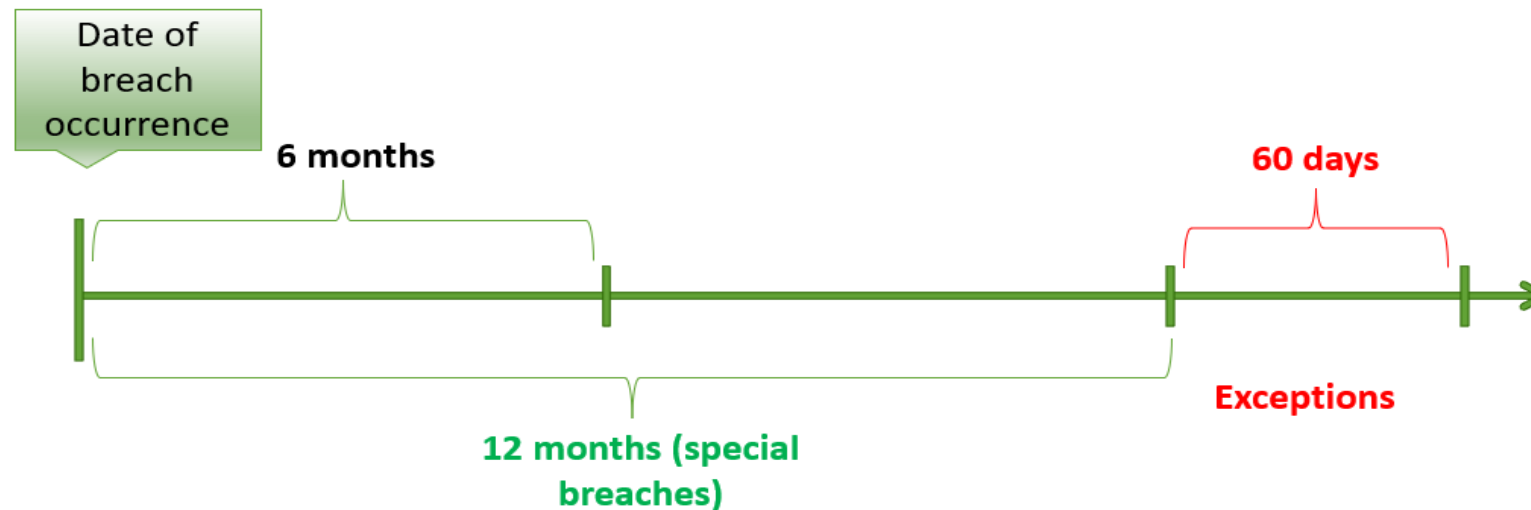
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# I. OVERVIEW

## Time limit

- (i) 6 months; OR
- (ii) 12 months (*in case of breaches directly relating to finance, property, or disclosure of technological or business secrets of employers*)

From the date of breach occurrence.  
(Labor Code 2019, Art. 123)



# I. OVERVIEW

## Labor discipline restrictions

Disciplinary actions are restricted when employee:

- ▶ is on sick leave, leave for medical treatment or recuperation, or leave with employer's consent;
- ▶ female employee is pregnant or on maternity leave; or employee is raising a child under the age of 12 months

Disciplinary actions are restricted in the case an employee commits a breach when suffering from a mental or other illness resulting in lack of awareness or inability to control behaviours.

*(Arts. 122.4 & 5)*

Disciplinary actions will be resumed when the employee is back to normal situation.



# I. OVERVIEW

## Labor discipline procedure

A dismissal is automatically deemed unlawful if the employer fails to meticulously follow the mandatory, multi-step disciplinary procedure.

- i. **Violation detection & record:** Immediately create a written violation report and notify the labor representative organization (if any).
- ii. **Written notice of hearing (meeting):** Issue a written notice to the employee, the trade union/the employee representative organization, and other mandatory participants at least 5 working days before the hearing date.
- iii. **Conducting the hearing:** The hearing must be held with the presence of all notified mandatory participants. The employee has the right to self-defense or representation.
- iv. **Signing the minutes:** The entire proceeding must be documented in official minutes, which all participants must sign. Failure to sign by a mandatory participant must be formally recorded.
- v. **Final decision:** A written disciplinary decision must be issued by a person with legal authority to enter into labor contracts.



# I. OVERVIEW

## Consequences of an unlawful dismissal

- i. Required to receive the employee back to work
- ii. Pay wages, social insurance and health insurance for period of time during which the employee did not work
- iii. **Pay** at least 2 months' labor-contract-based wages ("**Minimum Amount**").

If the employee does not wish to continue to work, the employer must pay Minimum Amount **plus** severance allowance.

If the employer does not wish to receive the employee back to work and has the employee's consent for termination, the employer must pay Minimum Amount **plus** severance allowance **plus** a compensation amount as agreed by the employer and employee which must be 2 months' labor-contract-based wages as a minimum)



## II. MISCONDUCT

### 2.1. Cases involving trade secret violation

\* Examples where dismissal was valid:

#### Case No.1

Judgment No. 936/2019/LD-PT

#### Facts

Mr. L, an employee of Company V, was dismissed for installing a surveillance camera without permission in a restricted military zone, violating internal regulations on security and trade secrets.

#### Findings

The court held that Mr. L could not claim ignorance of the regulation and upheld the dismissal as legitimate and well-founded.

*(Judgment No. 936/2019/LD-PT, The People's Court of Ho Chi Minh City, October 22, 2019)*



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# II. MISCONDUCT

## 2.1. Cases involving trade secret violation

\* Examples where dismissal was valid:

**Case No.2**

Judgment No. 01/2023/LD-PT

**Facts**

Mr. Nguyen Van D was found to breach Company A trade secrets by establishing a competing business in the same industry, despite having access to confidential customer and technical information of Company A.

**Findings**

The court upheld Company A’s disciplinary dismissal decision, recognizing the serious threat posed to the company’s assets and legitimate interests.

*(Judgment No. 01/2023/LD-PT, the People’s Court of Can Tho City, February 14, 2023)*



## II. MISCONDUCT

### 2.1. Cases involving trade secret violation

\* Examples where dismissal was **not** valid:

#### Case No.1

Judgment No. 456/2020/LD-PT

#### Facts

Mr. T was dismissed by SZLT Co., Ltd. for allegedly disobeying orders and disclosing business and financial secrets. The company claimed he accessed and shared internal documents with external parties.

#### Findings

The court found that SZLT Co., Ltd. failed to provide sufficient evidence and thus, ruled that the dismissal was unfounded and unlawful.

*(Judgment No. 456/2020/LD-PT, The People's Court of Ho Chi Minh City, June 3, 2020)*



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## II. MISCONDUCT

### 2.1. Cases involving trade secret violation

\* Examples where dismissal was **not** valid:

#### Case No.2

Judgment No. 352/2019/LD-PT

#### Facts

Ms. Tr was dismissed by SG VN Real Estate JSC after she was caught secretly attempting to send internal documents to a friend but mistakenly sent them to the Deputy Director of HR. The company treated it as a violation and proceeded with dismissal.

#### Findings

The court found that the documents were not company secrets and held that the dismissal was unlawful both in substance and procedure.

*(Judgment No. 352/2019/LD-PT, The People's Court of Ho Chi Minh City, April 22, 2019)*



## II. MISCONDUCT

### 2.2 Cases involving theft or embezzment

#### Case No.1

Judgment No. 03/2023/HS-ST

#### Facts

Nguyen Van M, a coffee shop employee, intentionally left the premises unlocked after his shift and later returned to steal 11,023,000 VND from the safe.

#### Findings

The court found him guilty of theft under the Criminal Code and sentenced him to 15 months in prison.

*(Judgment No. 03/2023/HS-ST, The People's Court of Ha Tinh City, January 13, 2023)*



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## II. MISCONDUCT

### 2.2 Cases involving theft or embezzlement

#### Case No.5

Judgment No. 34/2022/HS-PT

#### Facts

Nguyen Trong H, a delivery employee of Giao Hang Tiet Kiem JSC, failed to remit VND 29,196,100 collected from customers on 27 out of 40 orders, thereby embezzling company funds.

#### Findings

The court convicted him under the Criminal Code, sentencing him to 28 months of imprisonment, suspended with a 56-month probation period starting from the date of the first-instance judgment.

*(Judgment No. 34/2022/HS-PT, The People's Court of Tien Du District, December 20, 2022)*



## II. MISCONDUCT

### 2.3. Whistleblower systems

- **No legal regulations mandating the establishment of internal reporting channels**

There are currently no legal provisions in Vietnamese laws explicitly requiring companies to establish internal reporting (whistleblowing) channels.

In practice, many foreign-invested or internationally affiliated companies in Vietnam adopt this internal reporting systems as part of their global compliance standards and corporate governance practices

- **Individuals have the right to report criminal acts to the provincial police**

#### Legal basis:

*“Whistleblowing on criminal acts refers to the act of an **individual** detecting and reporting conduct that shows signs of a criminal offense to the competent authorities.” (Article 144.1 of the 2015 Criminal Procedure Code)*

Thus, citizens have the right and obligation to report any criminal offenses they are aware of to the relevant authorities or organizations.



# III. DISCIPLINARY ACTIONS AGAINST EMPLOYEES

## 3.1. Types of disciplinary actions

- Reprimand
- Extension of the salary raise period for no more than 06 months
- Demotion
- Dismissal

*(Article 124 of the 2019 Labor Code)*



# III. DISCIPLINARY ACTIONS AGAINST EMPLOYEES

## 3.2. Procedures for disciplinary actions

Violation determination	Meeting notification	Meeting confirmation	Conduct a meeting	Issue disciplinary decision
<p>Caught in act: prepare a violation record and notify the worker's representative organization</p> <p>Discover later: collect evidence</p>	<p>Notify in writing at least 05 working days before the meeting</p>	<p>Invited parties shall confirm attendance or agree on a resche-duled time</p>	<p>The meeting proceeds even if some parties are absent</p> <p>The meeting must be recorded in minutes and signed by attendees</p>	<p>The discipline decision is issued and sent to involved parties</p>

*(Article 122 of the 2019 Labor Code; Article 70 of the Decree No.145/2020/ND-CP )*



# III. DISCIPLINARY ACTIONS AGAINST EMPLOYEES

## 3.3. Statute of limitations for disciplinary actions

06 months

for violations in general

12 months

for violations directly related to finance, property, or disclosure of technological or business secrets of the employer.

If the remaining statute of limitations is less than 60 days, or if the statute of limitations has expired due to overlapping with periods during which disciplinary action is not permitted, it **may be extended by no more than 60 days** from the end of such period.

*(Article 123 of the 2019 Labor Code)*



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### III. DISCIPLINARY ACTIONS AGAINST EMPLOYEES

#### Legal grounds for dismissal

- ▶ Employee commits an act of theft, embezzlement, gambling, deliberate violence causing injury; uses drugs at the workplace; discloses technology or business secrets; infringes intellectual property rights of employer; or is guilty of conduct causing serious loss and damage or which threatens to cause particularly serious loss and damage to property or interests of employer **or sexual harassment at the workplace which is provided in ILRs**;
- ▶ Employee is disciplined by form of deferral of a wage increase or demotion and then recommits the offence;
- ▶ Employee of his/her own accord takes an aggregate of 5 days off in **30 days** or an aggregate 20 days off in **365 days** without proper reasons.

(Art. 125)



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# III. DISCIPLINARY ACTIONS AGAINST EMPLOYEES

## Temporary Suspension of Work

### Requirements for application:

- (i) the breach committed is complex in nature;
- (ii) it is considered that any further work carried out by the employee may jeopardize the investigation; AND
- (iii) after consultation of opinion of the Trade Union / A worker representative organization

### Period: not exceed

- (i) 15 days; OR
- (ii) 90 days (in special circumstances).

Upon expiry of the period of temporary suspension, the employer must receive the employee back to work.

*(Arts. 122.1 and 128)*



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## IV. LABOR DISPUTE RESOLUTION

Labor dispute refers to:

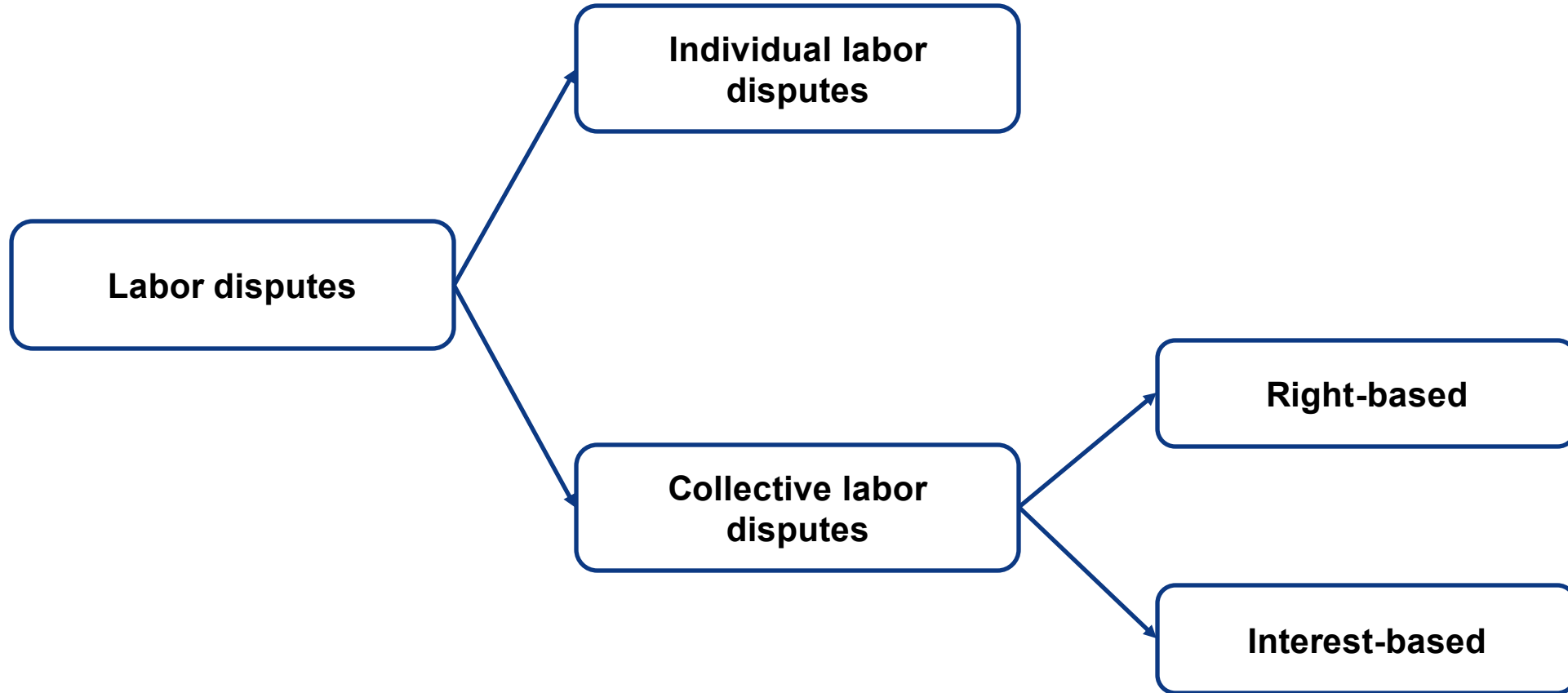
- A dispute over rights, obligations, or interests arising between parties during the process of establishing, performing, or terminating a labor relationship;
- A dispute between workers' representative organisations; or
- A dispute arising from a relationship that is directly related to a labor relationship.

*(Article 179.1 of the 2019 Labor Code)*



# IV. LABOR DISPUTE RESOLUTION

## Types of labor disputes



*(Article 179 of the 2019 Labor Code)*



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## IV. LABOR DISPUTE RESOLUTION



- **Art. 179.1(a), Labor Code 2019:**

“Individual labor dispute”: a labor dispute between the employer and employee(s), between an employee and an enterprise or organization sending the employee to work overseas pursuant to a contract; and between a sub-leasing employer and the sub-leased employee;

- **Art. 179.1(b), Labor Code 2019**

“Collective labor dispute”: a labor dispute between one (1) or more organizations representing employees on the one hand and the employer or one (1) or more organizations of the employer on the other hand.

*(Article 179 of the 2019 Labor Code)*

## IV. LABOR DISPUTE RESOLUTION

- **Art. 179.2, Labor Code 2019:**

**Collective Labor Dispute over Rights (Legal Dispute):**

There are different ways of interpreting and implementing provisions in the collective labor agreement, internal labor rules, regulations or other lawful agreements;

There are different ways of interpreting and implementing provisions of the law on labor;

The employer has discriminated against an employee or a member of the leadership of an organization representing employees because of establishing, joining or operating such organization; or has intervened in or manipulated such organization, or breached the obligation to negotiate in goodwill.

- **Art. 179.3, Labor Code 2019:**

**Collective Labor Dispute over Interests (Benefit Dispute):**

A labor dispute arising during the process of collective bargaining;

A labor dispute arising when one party refuses to negotiate or does not conduct negotiations within the time-limit prescribed by law.



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*(Article 179 of the 2019 Labor Code)*

## IV. LABOR DISPUTE RESOLUTION

### Methods

- Labor Mediation
- Labor Arbitration
- Litigation

*(Article 184 and 185 of the 2019 Labor Code; Article 32 of the 2015 Civil Procedure Code)*



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## IV. LABOR DISPUTE RESOLUTION

Individual Labor Dispute	Collective Labor Dispute over Rights	Collective Labor Dispute over Interests
<ul style="list-style-type: none"> <li>• Labor Conciliator*</li> <li>• Labor Arbitration Council(*) <u>or</u> People's Court</li> </ul> <p><i>(Art. 188, Labor Code 2019)</i></p>	<ul style="list-style-type: none"> <li>• Labor Conciliator;</li> <li>• Labor Arbitration Council(*) <u>or</u> People's Court</li> </ul> <p><i>(Art. 191 and 192, Labor Code 2019)</i></p>	<ul style="list-style-type: none"> <li>• Labor Conciliator</li> <li>• Labor Arbitration Council(*)</li> </ul> <p><i>(Art. 195 and 196, Labor Code 2019)</i></p>

(\*) Labor Arbitration Council merely a symbolic entity, failing to deliver meaningful and comprehensive results and thus, is not quite common in practice due to non-binding nature, time-consuming process, lack of enforcement power, limited institutional capacity, etc.



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## IV. LABOR DISPUTE RESOLUTION

### Statute of Limitations

#### Individual & Rights-Based Collective Disputes

From the date a party becomes aware of the infringement of their rights or interests:

- **6 months** for a request for **mediation**
- **9 months** for a request for resolution by the **Labor Arbitration Council**
- **1 year** for a request for resolution by the **People's Court**

#### Interest-Based Collective Disputes

- No time limit specified under Vietnamese law

*(Article 190 and 194 of the 2019 Labor Code)*



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# IV. LABOR DISPUTE RESOLUTION

## Mediation

### Overview

- Labor mediators are appointed by the Chairperson of the Provincial People’s Committee
- They must meet legal qualification and eligibility criteria, including having **at least 03 years** of experience in a field related to labor relations

*(Article 184 of the 2019 Labor Code; Article 92 of the Decree No.145/2020/ND-CP)*



# IV. LABOR DISPUTE RESOLUTION

## Mediation

### Principle of mandatory mediation and its exceptions

- In general, most types of labor disputes must go through the mediation process as required by law before they are referred to the competent People’s Court or the labor Arbitration Council
- **Exceptions:** (*Article 188.1 of the 2019 Labor Code*)
  - ✓ Disputes regarding disciplinary action in the form of dismissal or unilateral termination of the labor contract;
  - ✓ Disputes regarding compensation, and severance allowance upon termination of the labor contract;
  - ✓ Disputes between domestic workers and their employers;
  - ✓ Disputes related to social insurance, health insurance, unemployment insurance, and occupational accident and disease insurance as prescribed by laws;
  - ✓ Disputes over compensation between employees and enterprises or organizations that send workers to work abroad under contracts;
  - ✓ Disputes between subleased employees and the user enterprise.



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# IV. LABOR DISPUTE RESOLUTION

## Mediation

### Procedure

- Mediators guide and support the parties in negotiating a resolution. Both parties must attend mediation and may be represented:
  - ✓ If parties reach an agreement → Mediator prepares a minutes of successful mediation, signed by all parties.
  - ✓ If parties cannot agree, mediator proposes a settlement plan:
    - If accepted → minutes of successful mediation is signed.
    - If rejected or a party is absent twice without valid reason → minutes of unsuccessful mediation is prepared.
- **Key timeline:**
  - ✓ Labor mediators must complete the mediation **within 05 working days** of receiving the request for dispute resolution.
  - ✓ Copies of the record of mediation must be sent to the disputing parties **within 01 working day** from the date the record is produced.

*(Article 188, 192.1 and 196.1 of the 2019 Labor Code)*



# IV. LABOR DISPUTE RESOLUTION

## Mediation

### Post-Mediation Options

For cases where:

- mediation is unsuccessful;
- the labor mediator fails to resolve the dispute within a certain timeframe; or
- either party fails to perform as agreed in the record of successful mediation

→ Either party may bring the dispute to the **People's Court** (except interest-based collective disputes) or the **labor Arbitration Council**

*(Article 188.7 of the 2019 Labor Code)*



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## IV. LABOR DISPUTE RESOLUTION

### Labor Arbitration

- A new mechanism introduced under the 2019 Labor Code
- The Labor Arbitration Council is established by decision of the Chairperson of the Provincial People's Committee and has a 5-year term
- The number of labor arbitrators is also decided by the Chairperson, with a minimum of 15 members, including at least:
  - ✓ 5 members nominated by the Department of Labor, Invalids and Social Affairs
  - ✓ 5 members nominated by the provincial-level trade union
  - ✓ 5 members nominated by employers' representative organizations at the provincial level
- Arbitrators are required to possess legal qualifications, including expertise in labor law and practical experience in labor relations

*(Article 185.1, 185.2, and 185.3 of the 2019 Labor Code)*



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## IV. LABOR DISPUTE RESOLUTION

### Types of labor disputes covered

- Individual disputes
- Rights-based collective disputes
- Interest-based collective disputes

*(Article 187.2, 191.1(b), and 195.1(b) of the 2019 Labor Code)*

### Procedure

- By mutual consent, disputing parties may request the Labor Arbitration Council (“**LAC**”) to resolve the dispute
- **Within 07 working days** from the receipt of the request for labor dispute resolution, an arbitral tribunal shall be established
- **Within 30 working days** from the establishment of the arbitral tribunal, the arbitral tribunal shall issue a decision on the settlement of the labor dispute and send it to the disputing parties

*(Article 189, 193, and 197 of the 2019 Labor Code)*



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## IV. LABOR DISPUTE RESOLUTION

### If the LAC Process Fails

#### For individual and rights-based collective disputes

The parties may bring the dispute to the People's Court if:

- The arbitral tribunal is not established on time;
- The tribunal fails to issue a decision within the deadline; or
- A party does not comply with the LAC's decision

*(Article 189.4, 189.5, 193.5, and 193.6 of the 2019 Labor Code)*

#### For interest-based collective disputes

- The parties cannot bring the dispute to the People's Court
- Instead, if the arbitral tribunal is not established, fails to decide on time, or its decision is not enforced, the workers' representative organization may **initiate a strike** in accordance with the law

*(Article 197.4 of the 2019 Labor Code)*



# IV. LABOR DISPUTE RESOLUTION

## Litigation

### Types of labor disputes covered

- Individual disputes
- Rights-based collective disputes

*(Article 187.3 and 191.1(c) of the 2019 Labor Code; Article 32.1 and 32.2 of the 2015 Civil Procedure Code)*

### Procedure

- Governed by the Civil Procedure Code (*Section 2 and 3, from Chapter XII to Chapter XVII*)
- The average first-instance period is about 5–8 months, including the following stages:
  - ✓ Filing and reviewing the statement of claim
  - ✓ Acceptance of the case
  - ✓ Trial preparation
  - ✓ Issuance of decision to bring the case to trial



VIETNAM LAW FIRM  
OF THE YEAR  
2012 - 2017 - 2020



VIETNAM LITIGATION  
LAW FIRM OF THE YEAR  
2019 - 2021



PRIVATE PRACTICE  
ARBITRATION POWERLIST  
SEA 2022



VIETNAM FIRM  
OF THE YEAR  
2022/23



VIETNAM FIRM  
OF THE YEAR  
2023



GAR 100  
FIRM  
2023

## IV. LABOR DISPUTE RESOLUTION

### Selection of lay judges

- Courts at all levels propose the number and composition of lay judges
- The Vietnam Fatherland Front (Ủy ban Mặt trận Tổ quốc Việt Nam) at the same level selects and nominates qualified individuals for election by the People's Council (Hội đồng nhân dân)
- The list of candidates must include more nominees than seats (surplus)
- The Chief Judge of the court where lay judges serve assigns lay judges to cases, ensuring impartiality, objectivity, and random selection

*(Article 127 and Article 135 of the Law on the Organization of People's Courts)*



## IV. LABOR DISPUTE RESOLUTION

### Explanation of cases to lay judges

- No legal provision requires explanation of cases to lay judges
- Lay judges themselves are expected to:
  - ✓ Demonstrate strong legal awareness and societal insight
  - ✓ Actively study to improve legal knowledge and trial skills
  - ✓ Participate in training sessions, trial reviews, and court performance evaluations
  - ✓ Contribute to judgments alongside professional judges with equal voting rights

*(Article 126 of the Law on the Organization of People's Courts; Article 11.2 of the 2015 Civil Procedure Code)*



## IV. LABOR DISPUTE RESOLUTION

### Case Law

A case law means arguments and rulings in a legally effective judgment or decision of the courts that are selected by the Council of Justices of the Supreme People's Court and published by the Chief Justice of the Supreme People's Court for other courts to study and apply them when deciding later cases.

*(Resolution 04/2019/NQ-HDTP of the Council of Justices of the Supreme People's Court)*

Until today, there are 72 cases that have been published, and only 3 labor-related cases, including:

- i. Case law No. 20/2018/AL on 'Establishment of an employment relationship after the probationary period expires';
- ii. Case law No. 69/2023/AL on 'Jurisdiction of commercial arbitration in resolving disputes over non-disclosure and non-compete agreements'; and
- iii. Case law No. 70/2023/AL on 'Termination of labor contracts with an employee who is a part-time trade union officer'.



# IV. LABOR DISPUTE RESOLUTION

## Litigation

### Court Jurisdiction

The amended Law on Organization of People's Courts, which took effect on July 1, 2025, implemented a significant restructuring of Vietnam's judicial system.

- Prior to this amendment, (a) first-instance proceedings were conducted by the District People's Courts; (b) appeals against first-instance judgments were heard by the Provincial People's Courts; and (c) cassation proceedings were within the competence of the High People's Courts. In cases involving a foreign element (such as foreign parties), first-instance jurisdiction belongs to the Provincial People's Courts.
- After July 1, 2025, the High People's Courts have been abolished, and the District People's Courts have been replaced with newly established Regional People's Courts. Under this new three-tier judicial model, the court system is structured as follows: (x) first-instance trials are handled by the Regional People's Courts; and (y) appeals and cassation proceedings of Regional-level judgments fall within the jurisdiction of the Provincial People's Courts; and (z) the Supreme People's Court, as the highest court, primarily undertakes cassation proceedings of Provincial-level judgments.
- With respect to labor cases, first-instance trials fall under the jurisdiction of the Civil Specialized Court of the Regional People's Courts, whereas appellate proceedings are conducted by the Labor Specialized Court of the Provincial People's Courts.





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## DISCUSSION

*Please feel free to share any questions or comments*

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■ Thank you for your attention!

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