



CASE LAW NO. 81 ON ASSET RECOVERY: AN INSIDER'S PERSPECTIVE

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On December 25, 2025, the Chief Justice of the Supreme People's Court issued Decision No. 339a/QĐ-CA, introducing ten new case laws. Among the most significant is Case Law No. 81/2025/AL ("**Case Law 81**"), which clarifies the Vietnamese judiciary's approach to civil disputes concerning asset recovery.

As counsel for the Service Provider (M Corporation) throughout this protracted litigation - from the court of first-instance to the cassation stage - VILAF is uniquely positioned to provide an insider's analysis. This article examines the Supreme People's Court's reasoning on the non-application of limitation periods to ownership claims and considers the broader implications of Case Law 81 for commercial dispute resolution.

A. Overview: The Non-Application of Limitation Periods to Ownership Claims

Prior to the 2011 amendments to the 2004 Civil Procedure Code ("**2004 Amended CPC**"), the exemption from limitation periods for "protecting ownership rights" applied exclusively to claims involving assets owned by the State or the people, thereby excluding private property.¹

¹ Civil Code art. 169(1) (Viet. 1995) and Civil Code art. 160(1) (Viet. 2005).

Article 159.3 of the 2004 Amended CPC broadened this principle, eliminating distinctions between ownership types. It clarified that disputes concerning property ownership, recovery of assets held by others, and land use rights were not subject to limitation periods. Article 23 of Resolution 03/2012 further reinforced this position.

More specifically, Article 23.2 of Resolution No. 03/2012/NQ-HĐTP dated December 3, 2012 (“**Resolution 03/2012**”) enumerated three categories of disputes exempt from limitation periods:

1. Disputes over ownership of property - i.e., disputes concerning the right to possess, use, or dispose of a specific asset²;
2. Disputes over recovery of property managed or possessed by another - i.e., disputes involving assets lawfully owned or used but held by another party³; and
3. Disputes over land use rights - i.e., disputes concerning entitlement to use a particular parcel of land.⁴

With the enactment of the 2015 Civil Code, the principle was reaffirmed: lawsuits seeking to protect ownership rights are exempt from limitation periods unless otherwise specified. Yet, the absence of clear guidance on what constitutes a request to “protect ownership rights” generated significant uncertainty in practice. It is precisely within this doctrinal ambiguity that Case Law 81 emerged, offering a novel judicial perspective.

B. Case Law 81 - Legal Issues and Judicial Reasoning

a. Case Summary

On July 1, 2012, M Corporation (“**Service Provider**”) and A Paper Joint Stock Company (“**Service User**”) entered into a service contract (“**Contract**”), under which the Service Provider would dispatch technical experts to assist in the production of Kraft pulp. The Contract stipulated that Japanese law would govern.

By late 2012, the parties mutually agreed to terminate the Contract. Despite issuing six invoices and receiving a formal letter from the Service User acknowledging the debt in June 2013, the Service Provider was never paid.

When the Service Provider eventually filed suit in 2018, it confronted a formidable obstacle: the three-year statute of limitations for contractual disputes appeared to have expired.

b. Lower Court Rulings

Both the trial and appellate courts dismissed the case (*đình chỉ giải quyết vụ án*),

² Resolution No. 03/2012/NQ-HĐTP, art. 23(2)(a) (Sup. People’s Ct. Dec. 3, 2012) (Viet.).

³ Resolution No. 03/2012/NQ-HĐTP, art. 23(2)(b) (Sup. People’s Ct. Dec. 3, 2012) (Viet.).

⁴ Resolution No. 03/2012/NQ-HĐTP, art. 23(2)(c) (Sup. People’s Ct. Dec. 3, 2012) (Viet.).

reasoning as follows:

- Vietnamese law governed. Although the Contract specified Japanese law, both courts held that the Contract was concluded and performed entirely in Vietnam. Under Article 769(1) of the 2005 Civil Code, the choice of Japanese law was deemed invalid, and Vietnamese law applied.
- The limitation period had expired, as the suit was filed five years after the date on which the claimant knew, or should have known, of the infringement of its lawful rights and interests.
- Authority was decisive: the debt acknowledgment letter was disregarded because it was signed by a Deputy General Director rather than the company's legal representative.

c. Supreme Court's Findings and Case Law Content

Having concluded that the rulings of the lower courts were legally flawed and unjust, the Service Provider filed a petition for cassation in October 2020.

In its cassation decision, the Supreme People's Court ("**Supreme Court**") refrained from addressing the applicability of Japanese law, thereby implicitly affirming the primacy of Vietnamese law in governing the dispute.

The Supreme Court adopted a distinctive approach to the limitation period. It relied upon the letter dated June 1, 2013, in which the Service User expressly confirmed its obligation to pay the service fees of JPY 26,343,433. On this basis, the Supreme Court reasoned that:

- The parties had mutually agreed to terminate the Contract.
- The Service User had unequivocally acknowledged its payment obligation.
- The dispute had ceased to be a "service contract dispute" and had instead crystallized into a civil dispute concerning asset recovery (*đòi lại tài sản*).

Pursuant to Article 155.2 of the 2015 Civil Code, claims seeking to protect ownership rights are exempt from limitation periods. Accordingly, the Supreme Court held that once the Contract was terminated and the payment obligation is acknowledged, the dispute fell within the ambit of "requests to protect ownership rights" (*yêu cầu bảo vệ quyền sở hữu*) and was therefore insulated from limitation rules.

Notably, this was not the first instance in which Vietnamese courts adopted this approach. Published judgments indicate that several local courts have applied it previously. For instance, in Judgment No. 26/2018/KDTM-PT dated July 4, 2018,

the Hai Phong City People's Court recorded that the Plaintiff and Defendant entered into four contracts between 2011 and 2013, totaling 1,070,596,250 VND. The Defendant paid 740,064,051 VND, leaving an outstanding balance of 330,532,199 VND, which was confirmed in a debt reconciliation on January 23, 2013. The Plaintiff sued to recover this amount without claiming interest. Both the trial and appellate courts classified the matter as an asset recovery claim under the 2015 Civil Procedure Code and Resolution 03/2012, and therefore ruled that the statute of limitations did not apply.⁵

Similarly, in Judgment No. 09/2020/KDTM-PT dated 10 September 2020, the People's Court of Nghe An Province noted that in 2011 Company X (Defendant) and Company A (Claimant) entered into an economic contract for the provision and installation of door systems at the Vung An thermal power plant. The contract value exceeded VND 1.7 billion, of which the Defendant paid VND 1.459 billion. As the remaining amount was not paid, the Claimant initiated proceedings to recover the outstanding balance. The Defendant objected to the claim, arguing that the contract had not been signed by a duly authorized representative and was therefore not binding on the Claimant, and further contending that the statute of limitations had expired. Both the first-instance and appellate courts rejected the Defendant's arguments. Specifically, with respect to the statute of limitations, the courts held that because the Defendant had acknowledged the debt and made partial payment, the dispute was treated as a request for protection of ownership rights, and the statute of limitations did not apply.⁶

d. Legal Issues Arising from Case Law 81

i. The Temporal Point of Ownership Establishment

In Case Law 81, the Supreme Court invoked Article 155.2 of the 2015 Civil Code to affirm the inapplicability of limitation rules. Logically, however, this provision presupposes that ownership rights were established prior to the initiation of litigation. The critical inquiry, therefore, is whether the Service Provider's ownership rights over the "agreed service fees" had arisen, and if so, at what point.

One may contend that the Supreme Court's reasoning is doctrinally tenuous. Article 161.1 of the 2015 Civil Code stipulates that ownership is established upon the transfer of property. In the present case, the "agreed service fees" had not been transferred; consequently, ownership had not yet materialized. At that juncture, the Service Provider possessed merely a contractual right to payment, rather than the ownership right over the "agreed service fees". Thus, reliance on

⁵ Hai Phong City People's Court, Judgment No. 26/2018/KDTM-PT (July 4, 2018), available at <https://congboanan.toaan.gov.vn/2ta132689t1cvn/chi-tiet-ban-an>

⁶ Nghe An Province People's Court, Judgment No. 09/2020/KDTM-PT (Sep. 10, 2020), available at <https://lexcentra.ai/homepage/detail/485724?td>

the Article 155.2 appears doctrinally misplaced.

A competing perspective, however, emphasizes the contractual framework. Article 161.1 of the 2015 Civil Code provides: “*The time of establishing ownership rights and other rights over property shall be determined according to the provisions of this Code and other relevant laws; if the law does not provide regulations, it shall be determined according to the agreement of the parties; if the law does not provide regulations and the parties have no agreement, then the time of establishing ownership rights and other rights over property shall be the time the property is transferred.*” [Emphasis added] In this case, Article 4.1 of the Contract required payment at the end of the month following invoice issuance. The Service User failed to comply, notwithstanding its subsequent acknowledgment of the debt. Accordingly, under Article 161.1, it may be argued that ownership of the “agreed service fees” should be deemed established either at the contractual due date or, at the latest, upon formal acknowledgment of the obligation, pursuant to the parties’ agreement as regulated under Article 161.1 of the 2015 Civil Code. On this reasoning, ownership predated litigation, thereby justifying the Court’s reliance on Article 155.2. From our experience, Vietnamese courts tend to consider the acknowledgment of debts as an agreement between the parties, according to which the disputed payment amount shall become the acknowledged debt, or in other words, the ownership right over the disputed payment has been established.

ii. The Status of Ongoing Contracts and Confirmed Obligations

Case Law 81 appears to suggest that a contractual dispute metamorphoses into an “asset recovery dispute” exempt from limitation periods only when two conditions are satisfied: (i) termination of the contract, and (ii) acknowledgment of the payment obligation. Yet a salient question arises: what if the contract remains extant, but the payment obligation has nonetheless been acknowledged?

In the author’s view, once obligations are acknowledged, the dispute ought to be classified as asset recovery irrespective of whether the contract has formally ended. This interpretation coheres with Resolution 03/2012, which did not treat contract status as determinative in distinguishing ownership disputes from asset recovery claims.

iii. Extension to Other Monetary Claims

Article 23.3.b of Resolution 03/2012 confined exemption from limitation to principal sums, expressly excluding interest. In Case Law 81, the Supreme Court extended the exemption to encompass both service fees (principal) and late interest. This approach appears to have been adopted because the parties in Case Law No. 81 had already agreed upon, and did not dispute, both the principal amounts and the interest. The unresolved issue is whether this broader

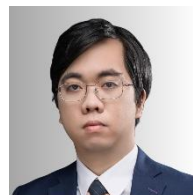
interpretive stance should also extend to other monetary claims, such as damages or penalty payments. Case Law 81 remains silent on this point, thereby leaving a lacuna in doctrinal clarity.

In conclusion, Case Law 81 represents a pivotal milestone in the development of Vietnamese jurisprudence on asset recovery. By clarifying the interpretive scope of “requests to protect ownership rights,” the Supreme Court has provided guidance that both consolidates prior judicial practice and raises significant doctrinal questions. Unresolved issues - such as whether ongoing contractual obligations should be classified as asset recovery, and whether exemptions from limitation periods should extend to damages, penalties, or late interest - underscore the need for further judicial and legislative refinement. Nevertheless, Case Law 81 highlights the expanding role of case law in shaping statutory interpretation, promoting consistency, and enhancing transparency in the adjudication of commercial disputes. It stands as a landmark contribution to the pursuit of doctrinal stability within Vietnam’s legal system.

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