The Vietnamese Court System: Why the 2024 Law on Organization of People's Courts and 2025 Amendments are Deemed a "Major Judicial Overhaul"?

The People's Court system of Vietnam is undergoing one of its most significant reform periods since its establishment, with profound changes likened to a "major judicial overhaul". On June 24, 2024, the National Assembly officially passed Law on Organization of People's Courts No. 34/2024/QH15, which comprehensively replaces the 2014 Law on Organization of People's Courts (No. 62/2014/QH13). This new law, abbreviated as the 2024 Law on Organization of People's Courts, takes effect on January 1, 2025, and comprises 9 chapters and 152 articles, specifically stipulating the position, functions, duties, powers, and organizational structure of the People's Court system.

Not stopping there, one year later, on June 24, 2025, the National Assembly continued to pass the Law amending and supplementing a number of articles of the Law on Organization of People's Courts, effective from July 1, 2025. This series of legislative actions demonstrates a strong political determination to innovate the organizational model and operations of the Courts, aiming to meet the urgent requirements of judicial reform in line with Resolution No. 27-NQ/TW on the Strategy for Judicial Reform until 2030.

These two consecutive laws not only impact the organizational structure of courts at all levels but also <u>reshape jurisdiction</u>, operational mechanisms, personnel standards, tenure regulations for judges, and many other core issues. The shift from a four-level court model to a three-level model, the reorganization of regional courts, the establishment of specialized courts, along with reforms in human resource management and procedural processes, have fundamentally transformed the landscape of Vietnam's judiciary.

KENFOX IP & Law Office provides detailed analyses of the most prominent new points of the 2024 Law on Organization of People's Courts and the 2025 Amending Law, assisting businesses, legal professionals, and the law enforcement community in gaining a comprehensive and in-depth understanding of the new direction of <u>Vietnam's People's Court system in the upcoming period.</u>

1. On the Position, Functions, and Duties of the People's Courts: Detailing the Exercise of Judicial Power

The 2024 Law on Organization of People's Courts has clarified the inherent meaning of the People's Courts' "exercise of judicial power". Accordingly, the People's Courts' exercise of judicial power includes the right to adjudicate, to decide on disputes, violations of law, and matters related to human rights and the rights and obligations of agencies, organizations, and individuals as prescribed by law; and to ensure the unified application of law in adjudication. Some notable provisions and changes are as follows:

- Supplementing the duty to interpret the application of law in adjudication: The 2024 Law explicitly adds the duty and power of the People's Courts to "interpret the application of law in adjudicating and resolving cases and matters". This interpretation occurs during the adjudication process and within judgments and decisions, aiming to clarify the application of legal provisions in specific circumstances and situations for the adjudication and resolution of cases and matters within their jurisdiction. This new point is clearly distinguished from the power to interpret the Constitution, laws, and ordinances of the National Assembly Standing Committee. Explicitly granting courts the power to "interpret and apply the law" formalizes an existing practice and empowers the judiciary to proactively shape case law. This paves the way for a more robust system of judicial precedents and ensures greater consistency in the application of law, bringing Vietnam's legal system closer to the common law approach to judicial interpretation. Previously, although courts implicitly interpreted the law during adjudication, this power was not clearly codified, leading to potential ambiguities regarding its scope and authority. Formalizing this power (Article 3, Article 31) empowers judges to provide clear reasons for their application of the law, which is essential for developing high-quality precedents. This will make legal outcomes more predictable and transparent, fostering greater legal certainty and potentially reducing disputes by providing clearer guidance on how the law will be applied in similar
- Supplementing the duty to detect and propose on the constitutionality and legality of legal normative documents: Although limited to merely making recommendations, this represents a nascent form of judicial review, empowering the judiciary to identify and point out inconsistencies or unconstitutionalities within the legal framework based on practical application in cases. This feedback mechanism, if effectively implemented, can significantly contribute to legislative quality and legal stability, fostering a more dynamic interaction between the judiciary and the legislative/executive branches.

www.kenfoxlaw.com Page 1/ 4

- Role of the Court in assisting with evidence collection: The new Law clarifies that parties have the primary responsibility for collecting, providing, and submitting documents and evidence. However, the Court will guide and assist parties in collecting documents and evidence that they cannot collect themselves. The Court also has the right to request agencies, organizations, and individuals to provide documents and evidence as prescribed by law. This nuanced approach to evidence collection balances the adversarial principle with the practical realities of litigation, preventing potential injustices arising from unequal access to crucial evidence, ensuring a more comprehensive and fair resolution of cases.
- Regulations on audio and video recording at court hearings: The new Law permits audio recording of the entire proceedings of court hearings and meetings. Video recording is only allowed during the opening of the court hearing or meeting and during the pronouncement of judgments or decisions, to ensure the solemnity of the court. This provision enhances transparency and accountability in court proceedings while preserving the solemnity of the judicial process. Full audio recording provides a complete and verifiable record of proceedings, which can be crucial for appeals and oversight.
- Abolition of the Court's right to initiate criminal cases: The 2024 Law has abolished the right of
 the trial panel to initiate criminal cases. Instead, if signs of crime omission are detected, the Court will
 request the Procuracy to initiate the case. This is a fundamental reform that clearly demarcates the
 roles of the judiciary and the prosecution, strengthening the adversarial principle. By eliminating the
 Court's right to initiate criminal cases, the Law ensures that the Court operates purely as an impartial
 arbiter, enhancing objectivity and preventing any perception of bias that might arise from
 simultaneously investigating and adjudicating.

2. Innovation in the Organizational Structure of the People's Courts

2.1. Reorganization of the Court System: Eliminating the Intermediate Court Level, Replacing with a 3-Tier Model

The **2025 Amending Law** restructures the People's Court system into a streamlined **3-tier model** instead of the 4-tier model stipulated in the 2014 and 2024 regulations. Specifically:

- Abolition of the intermediate-level People's Courts (High People's Courts): The three High People's Courts (in Hanoi, Da Nang, and Ho Chi Minh City) will cease operations. This means that there will no longer be a fourth court level situated between the provincial-level People's Courts and the Supreme People's Court, as was the case under the 2014 model. The elimination of this intermediate level aims to <u>streamline administrative processes</u> and bring appellate and cassation activities closer to the local level, avoiding overlaps. National Assembly delegates agreed that the old model, which included High People's Courts, sometimes distanced the courts from the populace, creating an additional layer of adjudication.
- Discontinuation of District-level People's Courts, replaced by Regional People's Courts: All existing district-level People's Courts (districts, towns, provincial cities) will be reorganized into Regional People's Courts. Regional People's Courts are a new court level, with each regional court having jurisdiction over an area comprising multiple district-level administrative units combined (whereas previously each district had its own court). Thus, the number of first-instance courts will decrease (by consolidating multiple districts into one region), helping to concentrate judicial resources and reduce the number of small, fragmented entities.
- The judicial jurisdiction-based Court system comprises 3 levels: Following the reorganization, the People's Courts system will consist of: (1) The Supreme People's Court; (2) Provincial-level People's Courts (provinces, centrally-run cities); and (3) Regional People's Courts. Additionally, the military court system (Central Military Court, Military Zone Courts, Regional Military Courts) will remain as before. Furthermore, the 2025 Law adds a special type of court: the Specialized Court at the International Financial Center, established to resolve disputes within international financial centers (e.g., in special economic or financial zones). This court is considered a specialized court within the system.

Thus, compared to the 2024 Law, the biggest change in 2025 is the reduction of one court level (abolishing the high-level courts) and the merger of district-level courts into regional courts. This **3-tier court model** (**Supreme - Provincial - Regional**) is essentially similar to the model before 2014 (Supreme - Provincial - District) but with an improvement: the first-instance level is regional (instead of district) to overcome the disadvantages of overly small district courts and to allow for the organization of <u>specialized courts within them</u>. This is expected to reduce layers of adjudication, increase the concentration of resources, and overcome the limitations of the old model.

www.kenfoxlaw.com Page 2/ 4

2.2. Redefining Adjudicatory Jurisdiction Among Court Levels

Due to the change in organizational model, the **2025 Amending Law** simultaneously adjusts the duties and powers among court levels:

- Provincial-level People's Courts will bear more responsibilities than before, as there will no longer be High People's Courts. Provincial-level People's Courts are assigned the additional duty of conducting appellate review of cases that were previously under the jurisdiction of the High People's Courts. Specifically, Provincial Courts will hear appeals against judgments and decisions of Regional People's Courts when there are appeals or protests. Previously, appeals against district court judgments were heard by provincial courts for appellate review (under the Criminal Procedure Code, Civil Procedure Code, etc.)—a mechanism that existed in parallel with the high-level courts. Now, with the abolition of the high-level courts, all first-instance cases from the regional level will be subject to appellate review by the provincial courts (similar to the traditional model). This brings appellate review closer to the local level (instead of requiring relocation to the High People's Courts located in three major cities).
- Cassation and reopening review jurisdiction is also adjusted: Provincial-level People's Courts are granted the power of cassation and reopening review over legally effective judgments and decisions of Regional People's Courts within their management scope, upon a protest by an authorized person. Previously, judgments from district courts requiring cassation review had to be brought before the High People's Courts or the Supreme People's Court. Now, provincial courts also possess this jurisdiction, helping to reduce the caseload of the Supreme People's Court. The Supreme People's Court will focus on cassation review of provincial-level cases or major cases. This decentralization is similar to the period before 2014 (when provincial courts had a Provincial Judges' Committee to consider cassation review of district cases). This restoration aims to resolve errors of the first-instance level more quickly and promptly at the local level, rather than awaiting central review.
- Regional People's Courts assume the role of the local first-instance court, replacing the former district courts. Regional People's Courts will conduct first-instance trials for most types of cases (criminal, civil, administrative, etc.) arising within their regional jurisdiction (comprising multiple districts). Their specific jurisdiction corresponds to that of the former district courts, except for cases assigned by law to provincial courts for first-instance trial (such as major criminal cases). It can be understood that there is no significant change in the type of cases handled at the first-instance level, only a change in the administrative unit (from individual districts to combined regions). This is expected to enable each Regional People's Court to be sufficiently scaled to have specialized divisions/departments (criminal, civil, administrative, etc.) like a miniature provincial court, overcoming the situation where some district courts had too few judges to establish specialized panels.

Overall, the redefinition of jurisdiction ensures that each court level properly performs its function within the three levels of adjudication: first instance (regional), appellate (provincial), and final cassation (supreme). Concurrently, provincial courts serve as a "bottleneck" for both appellate and cassation review of local cases, thus the law also requires a corresponding increase in the number of judges for provincial-level courts to match their expanded duties.

3.3. Specialized Courts for Bankruptcy and Intellectual Property within Regional Courts

Prior to the 2025 amendments, the **2024 Law** officially stipulated the establishment of specialized first-instance People's Courts, including: (i) Specialized Administrative First-Instance People's Courts, (ii) Specialized Intellectual Property First-Instance People's Courts, and (iii) Specialized Bankruptcy People's Courts. This model aimed to establish independent, specialized courts based on their fields, to enhance the quality of adjudication and specialization. These courts were designed to operate as independent units within the organizational structure of the People's Courts.

However, the **2025 Amending Law** has abolished the model of specialized first-instance courts as stipulated in the 2024 Law. Instead, it establishes **specialized divisions for administrative**, **intellectual property**, **and bankruptcy cases within the Regional People's Courts**.

Specifically:

• These **specialized divisions** are not an independent "court level" nor a separate administrative unit within the court system.

www.kenfoxlaw.com Page 3/ 4

- Instead, they are **specialized departments** (such as specialized courts/chambers) directly under the Regional People's Courts in certain key areas (e.g., Hanoi, Ho Chi Minh City).
- The territorial jurisdiction and scope of adjudication of each specialized division will be regulated by the **National Assembly Standing Committee** based on the proposal of the Chief Justice of the Supreme People's Court.

Specifically, three Bankruptcy Courts will be located within three Regional People's Courts in Hanoi, Da Nang, and Ho Chi Minh City; and two Intellectual Property Courts within two Regional People's Courts in Hanoi and Ho Chi Minh City. These <u>specialized courts</u> will be responsible for first-instance adjudication of bankruptcy and IP cases across inter-provincial or nationwide scopes as assigned by the National Assembly Standing Committee.

The **territorial jurisdiction** of the specialized Bankruptcy and IP Courts will be determined by the National Assembly Standing Committee. In the field of IP, IP Court No. 1, affiliated with Regional People's Court 1 – Ho Chi Minh City, has territorial jurisdiction over **14 provinces and cities from Da Nang southward**. IP Court No. 2, affiliated with Regional People's Court 2 – Hanoi, has territorial jurisdiction over **20 provinces and cities from Quang Tri northward**.

This means that instead of establishing independent specialized first-instance courts as in the 2024 model, the court system will "embed" these specialized courts within the Regional Court apparatus, with an expanded jurisdiction extending inter-provincially or nationwide, depending on the field.

This change reflects an adjustment in judicial organizational policy to:

- Avoid creating additional organizational units, limiting the increase in administrative management levels within the court system.
- Concentrate judicial resources and facilities, preventing the dispersion of judges when the number
 of specialized cases is not yet sufficiently large in many localities.
- **Optimize the 3-tier court model**, aligning with the major policy decision to abolish the high-level People's Courts and merge district courts into regional courts.
- **Reduce the financial burden** on the State by not having to construct more offices and administrative apparatuses for new specialized courts.

The adjustment from the model of specialized first-instance courts to specialized divisions within Regional Courts demonstrates flexibility in formulating judicial organizational policy, adapting to practical management requirements, resource conditions, and the overall orientation of public access to court judgmentsm in the new period. Despite the change in organizational model, the objective of enhancing specialization in adjudicating administrative, intellectual property, and bankruptcy cases remains unchanged, through the organization of specialized departments within the Regional Courts.

Final thoughts

The 2025 amending and supplementing Law to the Law on Organization of Courts has realized a further step in judicial reform: streamlining the apparatus, bringing it closer to the people while maintaining specialization. The changes in the 3-tier court model, regional courts, specialized courts, along with high-level personnel policies, demonstrate a determination to build a simple, effective, and clean judiciary. This is the next step after the 2024 Law to perfect the organization of the People's Courts, meeting the requirements for building a socialist rule-of-law state in the new period. When implemented, these laws will contribute to improving the quality of adjudication, strengthening public trust in justice, and affirming that the Courts are truly a reliance for the people in protecting their legitimate rights.

By Nguyễn Vũ Quân | Partner, IP Attorney Đỗ Thị Phấn |Special Counsel Hoàng Thị Tuyết Hồng | Senior Trademark Attorney

Contact

KENFOX IP & Law Office

Building No. 6, Lane 12/93, Chinh Kinh Street, Nhan Chinh Ward, Thanh Xuan District, Hanoi, Vietnam

Tel: +84 24 3724 5656

Email: info@kenfoxlaw.com / kenfox@kenfoxlaw.com

www.kenfoxlaw.com Page 4/ 4