

Article 5:**A COMPERATIVE ANALYSIS ON THE LEGAL PROTECTION OF
MINORITY SHARE HOLDERS IN VIETNAM**

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Abstract

In Vietnam, although stronger efforts have been made to improve minority shareholders protection, the enforcement mechanisms are not sufficient for implementing the good intention of the law-makers. Therefore, minority shareholders, instead of expecting on protection from the law, they should learn about their rights and effectively exploit them. First, While Vietnamese law manifests “democracy” at the general meeting by providing rights for minority shareholders but lacks mechanisms by which such rights can be protected in practice, UK law leaves much to be decided in the articles of associations but also empowers shareholders to enforce their rights in court on the other hand. Second, minority shareholders also have certain rights with respect to the directors of the company, that is, the right to appoint and remove them from the office. The laws also provide a series of duties and obligations binding on them. Shareholders in the UK are more likely to be successful than their peers in Vietnam in suits for damages. Moreover, UK law also includes mechanisms, rarely found in Vietnamese law, which may force directors to abide by their duties. Third, minority shareholders can passively obtain company’s information by relying on the disclosure of information but may also actively seek it by way of a request for information. Again, while EA 2005 does not provide any next step in case such a request is refused, CA 1985 equips shareholders with the right to apply to the court on the ground of unfair prejudice. Fourth, as to decisions on major transactions and related party transactions, both laws are similar in the fact that they require these must be approved by shareholders at general meeting. Fifth, the two legal systems are similar in providing existing shareholders the priority to buy new issue shares of the company and equal treatment between shareholders who are in the same position. In case of violation of these rights, minority shareholders in the UK can bring suits on the ground of unequal treatment

while their peers in Vietnam look in vain for a solution with respect to popular unfairness recently.

Keywords: Minority shareholders, Protection, Enterprise Law of Vietnam, Vietnam.