

# What's Legal Due Diligence? 6 Notes About Legal Due Diligence For Your Business

Vietnamese law does in fact not have a definition of “**legal due diligence**“. The term “legal due diligence” is understood as the evaluation, inspection, and review of the areas of the business to determine the current legal status of the business around issues of labour, operation, compliance with the law, and finance.

Usually, the evaluation will be done by an attorney when the financial year ends or when a company buys/sells with another company.

Before legally appraising a company, you should note the following:

- 1. The parties have exchanged, negotiated and agreed on a legal evaluation so that the purchaser decides to buy the company;**
- 2. Determine the purpose of the appraisal;**
- 3. Determine the areas to be appraised;**
- 4. Search for lawyers specialising in the corporate legal evaluation;**
- 5. Search for financial experts for financial legal due diligence; and**
- 6. Collect legal documents related to the area to be assessed.**

The appraisal process is quite complicated, so it needs the support from the appraised company, the licensing agencies related to the operation, **tax**, and environment to be able to determine the legal status of the business. The result of the legal due diligence is a complete, detailed report of the

assessed issues. Therefore, you should hire a lawyer specialising in legal evaluation to conduct this procedure to avoid wasting time and money.

*If you are in need of assistance with matters regarding **legal due diligence in Vietnam**, please contact us: P & Associates is a **professional law firm established in Vietnam** and currently has nearly 100 members working at three offices in Ho Chi Minh City, Hanoi and Da Nang. P & Associates are also considered to be one of **the leading law firms specialising in law on business in Vietnam**, which has a number of notable practice fields in the legal market such as **Labour and Employment, Banking Law, Taxes, Purchases, Selling and Merging, Litigation, IPO advisory services** and **Intellectual Property**. We are confident to provide effective lawyer services to clients in the above areas.*