

5 Things To Note Before Litigation For Debt Recovery

Most clients always desire to focus on their business in lieu of spending time and efforts in settling debts with their business partners. One method of **debt recovery** is litigation for **debt recovery through Court**. In **litigating for debt recovery**, clients should consider these following key points to assure their lawful rights and interests.

1. Consideration for the relationship of business cooperation

In many circumstances, clients should consider carefully before litigation for debt recovery if the debtor is the long-term business partners of the clients. Taking legal proceedings against the debtor may lead to a negative effect on the relationship between parties. Clients should regard the interests that they may lose when engaging in the dispute to make the right decision.

2. Taking notice of the prescription of litigation for debt recovery

When taking legal proceedings for debt recovery, clients should take notice of the prescription. The prescription is the time limit that clients are entitled to bring legal action in order to protect the lawful rights and interests, after this time limit the clients do not have the right to initiate legal actions.

Pursuant to the Civil Code 2015, limitation period of **litigation** for contract dispute is 3 years from the date on which the eligible individual knows or should know that his/her legal rights or interests are infringed. Regarding commercial disputes, in general, limitation period of litigation for such disputes is 2 years from the date on which the legal rights or interests are infringed.

3. Consideration of the likelihood for debt recovery

Another issue that customers need to consider after **litigation for debt recovery** is the likelihood for recovering debts in practice. After obtaining the judgment of the Court or the award of the Arbitration Tribunal, the main concern is then the likelihood to execute the judgment or the award. Because the debt recovery depends on the voluntary will of the debtor, in some cases, it is essential to secure judgment enforcement such as the attachment or initiating bankruptcy process to recover bad debts as soon as possible.

4. Cost arising from litigation for debt recovery

Clients should consider the cost that they can pay for debt recovery. These costs may be attorneys' fees, court or arbitration costs (if any), or civil judgment execution fees. Clients should also make sure that these incurred costs will be reasonable expenses in order to avoid wasting resources and money but not recover the debt.

5. Seeking and selecting reputable litigation lawyers in the field of debt recovery lawyer services

Clients should seek and choose good debt collection attorneys having extensive experience in litigation for debt recovery. Because **debt recovery lawyers** will give clients a reasonable and effective debt recovery strategy for your needs.

*If you are having difficulty finding a **Debt Recovery Law Firm 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, and Intellectual Property**. We are confident to be the **Debt Recovery Law Firm in Vietnam** providing clients with legal services optimally and effectively.*