**AQUISITION OF A PRIVATE MEDIACAL CLINIC IN VIETNAM – WHAT YOU NEED TO KNOW**

M&A is becoming more and more popular in the era of global economic opening, especially during the Covid-19 pandemic. Currently, small businesses do not have enough resources to operate and develop because the impaction of the government policies and the difficulty of the economy. This is an opportunity for corporations to expand their markets and influence, and at the same time help improve the quality of services. The medical field is an area of ​​special interest, especially in the foreground. At the same time, this is also a business field with conditions and diagnostic criteria. Therefore, doing M&A about a private medical clinic must be careful and meticulous.

1. **Regulation about a private medical clinic**

According to the provisions of ***Article 42 of the Law on Medical Examination and Treatment*** on the forms of medical examination and treatment establishments and the spirit content of the ***Ordinance on Private Medical Practice of the Standing Committee of the National Assembly***, it can be generalized that a private medical establishment will include: private medical practice organizations such as: Hospitals; Maternity homes; Plastic surgery facility, dental room. Traditional medicine practice organizations such as: Traditional medicine hospital; traditional medicine treatment room; acupuncture facility; massage. Private pharmacy practice organizations such as: Private pharmacy; Drug agent for pharmaceutical enterprises; Pharmaceutical business models; Establishments for trading in traditional ethnic medicine drugs.

1. **The process for acquisition of a private medical clinic**

The acquisition processfor a private medical usually goes through 3 stages like M&A process including: pre-M&A; M&A execution; and M&A completion.

Accordingly, at the pre-M&A phase, with the support of professional consultants/lawyers, the investor (buyer) shall: (i) approach the target clinic; (ii) conduct financial and legal due diligence/assessment. Contents link to due diligence issues may include but not limited to: establishment and operation records; profile on personnel organization and structure; labor records; environmental records; material contracts/transactions; the establishment’s assets; intellectual property; financial records; issues related to disputes, handling and proceedings.

On the basis of legal access and due diligence for the target private medical at the pre-M&A stage, buyer will consider and conduct negotiations, structure and set up transaction contents. After the seller and the buyer together come to a unified content, they will engage in definite transactional agreements and carry out legal procedures to complete the transaction.

1. **Some key notes**

For foreign investors who want to acquire medical facilities in Vietnam, currently, they must follow the specific regulations and guidance in accordance with the Law on Investment, the Law on Medical Examination, and Vietnam's WTO Commitments on Services.

Doing business in healthcare area facilities (like medical clinics) is a conditional business, thus, in an definite M&A transaction, special attention should be paid to a number of relevant key legal issues. In which, the prerequisites are establishment licenses, operation licenses and sub-licenses for each respective specialized department/unit of the medical clinic. Besides, it is necessary to meet the conditions for practicing certificates of medical examination and treatment doctors/staffs at medical clinic, ensure compliance with labor and insurance laws, carry out due diligence on financial issues of the medical facility. Also, identify the establishment's existing material contracts to assess the risks and potential for disputes. Environmental issues in the medical field are also significant. Most of the waste generated by medical clinic is hazardous waste. Therefore, it is necessary to ensure that medical clinic meet the conditions and requirements on hazardous waste and medical waste. On the basis of all documents related to the medical clinic provided by the medical clinic and the investor's appraisal, the two parties will establish appropriate terms to maximize the benefits of both.

Above are some notes for M&A activities related to private medical clinic in Vietnam. In general, proceeding with a private medical clinic acquisition involves many different aspects of the law. Therefore, for the transaction to be successful and fast, both buyer and the target medical establishment must be cautious and supportive of each other on deal conditions and requirements.

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