BUILDING SUCCESSFUL BUSINESS RELATIONSHIPS

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1.- Are relationships really so important to doing business in China?
- They are mainly based in:
  - Reciprocity
  - Trust

2.- How can “Guan xi” help me in China?
- With government officials
- With business people
3.- How can I develop my own “guan xi”?

The key:

To be PROACTIVE.
1. What is the appropriate behavior to doing business in China?

“Good manners make good business”

- **Dress**: Conservatively
- **Value Seniority**: The Chinese want to know who the company's leaders are.
- **Present your business card**
Chinese business etiquette
2. What can I expect of a Chinese Banquet?

> Three important aspects:

- Arriving at the restaurant
- Arranging the seating
- Keeping conversation light
Chinese business etiquette

3.- Is gift giving a common practice in China?

> Done in the right way, exchanging gifts can help build a stronger relationship with the Chinese.

4.- What is the right time for exchanging gifts?

> After you have concluded your business dealing.
1. What is involved in doing Due Diligence in China?

- Due Diligence = investigation of potential aspects of your business.
- **Business license: (AIC)**
  - Validity
  - Business scope
  - Signatory authorizations
  - Ownership
  - Capitalization
Managing risks in China

2.- What is the focus of the practice of Due Diligence for Joint Ventures?

> Assets  > Workers

3.- What is the focus of the practice of Due Diligence for Individuals?

Reference checking with previous employers and other references

www.lehmanlaw.com
8.- What is the best way for solving commercial disputes in China?

**ARBITRATION**

**FASTER**  **LESS EXPENSIVE**

**THAN LITIGATION**
Managing risks in China
Resolving disputes through Arbitration

9.- What should an ARBITRATION CLAUSE specify?

- Arbitration body
- Place of Arbitration
- Arbitration language
- That the arbitration is binding
- The number of tribunal members and the selection process
- Procedural rules
- That the award may be enforced in any court
- Governing law of the contract
10.- What are the chances that I can enforce my arbitration award?

- Under Chinese law > a court always must enforce an arbitration award for monetary damages.

- If a court refuses to enforce it > it must justify itself to the Supreme People’s Court.
Managing risks in China
Protecting Intellectual Property

11.- How much do I have to worry about IP infringements when doing business in China?

- China’s IP system is a “First-to-File system”
- You should:
  > Register all your IP in China as soon as possible.
  > Sign confidentiality and non-compete agreements with: - employees
  - consultants
  - potential suppliers
  - business partners
Managing risks in China
Protecting Intellectual Property

12.- What kind of other practical measures can I take to protect my IP?

- Don’t let anyone see the whole picture
- Guard your tools and equipment
- Don’t partner with potential competitors
CONCLUSION

The Keys to Success

✓ Good relations
✓ Good behavior
✓ Good protection against business risk in China
THANK YOU

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