

BUILDING SUCCESSFUL BUSINESS RELATIONSHIPS



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Fostering Fruitful Friendships

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

Fostering Fruitful Friendships

3.- How can I develop my own “*guan xi*”?

The key:

To be PROACTIVE.



Chinese business etiquette

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



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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.

Managing risks in China



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

Managing risks in China

Resolving disputes through Arbitration

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

Managing risks in China

Resolving disputes through Arbitration

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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