



This article is an excerpt of the book “**Financial, Administrative and Trade Management in China: A crash course for executives for a successful and compliant business operation**”, available e.g. on [Amazon Kindle](#), [Google Play](#) and [Apple Books](#).

3.5. Cooperating with Lawyers

Cooperating with lawyers can be a blessing when you are trying to follow the laws and to ensure good contracts. At the same time, according to the authors experience involving lawyers can also lead to serious delays in the process or to very high cost. In all fairness, their job is mostly to inform you about all risks that you are taking. Often a business decision is a trade-off between risk and reward though. This chapter will give you some hints from my own experience to reduce delays and limit the cost while bringing benefits.

Do you know what you want?

While lawyers can be helpful for creating formally correct contracts, from my personal experience, they will not be very helpful in defining the exact contents; they obviously cannot help you define what YOU want to achieve.

Lawyers in general do not negotiate or execute

In basically every case I was working with lawyers considering contract law, the lawyers did not help in any way with negotiation.

They can help with comparing situations or documents with the law as well as finding possible risks and pitfalls but the negotiation with your counterpart or the execution of the findings is usually in the hand of the client.

Type of lawyer

If you just need someone to support you in writing a good contract, any qualified lawyer will do. As soon as the potential level of enforcement of a contract is being entered, it is a different story; International law consultancy companies might be really helpful in drafting a great contract but they are often lacking the formal requirements to enforce these contracts in front of a Chinese court. If you expect that a contract might enter litigation in front of a court, it is recommended to search for a lawyer who is certified to do so.

If you do not ask specifically, you get generic answers

From my personal experience when working together with lawyers, it is highly recommended to ask very specific questions to the lawyer otherwise you will get very generic answers. While there is a tendency of especially inexperienced personnel to get the opinion of a lawyer so that you can show internally in the case of problems that you “involved a lawyer,” this seldom leads to a considerable impact on the formulation of the contract. The responsible manager for signing this contract might be tempted to outsource the responsibility and liability for a poorly formulated contract but it is seldom worth the effort or the fee of the lawyer if you are not clear about the objective to seek their counsel.

Make your expectations clear

Lawyers often tend to get very deeply in analysis mode, increasing the bill that has to be paid. By either making clear what kind of result you expect or if you are purchasing a training or audit package, you can try to limit the cost by explaining very detailed either what the result should look like or by asking for a tailor-made solution according to the budget. It is noteworthy that you have to find the right balance between limiting the analysis work and thereby increasing risk.

Let lawyers help you to navigate the biggest stumbling blocks

Even if you are using a lawyer, especially in China where enforcement of laws often is lacking, you will usually not be able to gain absolute security while lawyers often continue to ask a lot of “what if” questions. While this is their job, in many cases it can be already enough if the lawyer can provide you help to avoid the biggest pitfalls beforehand. If you just let the lawyer continue his analysis, you might have a very high bill in the end and a lot of information without any actual practical use case.

Create lasting documentation

If you ask the lawyer for support in cases that are not related to lawsuits but about business decisions and possible contracts, do not underestimate the long-term benefits this can bring to you and your company. Make sure that you create long-lasting documentation, either for yourself if you require to doublecheck a while later what the lawyer said or even some documentation that you can use in lawsuits and legal cases with the government as supporting documents, showing that you “tried to avoid legal problems.”



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Be honest

You are paying the lawyer to help you; for this he needs the full information about the case. Deliver all the relevant information upfront and answer all of the questions he might have openly and directly.

Often lawyers will require information upfront before discussing the matters more deeply and you should provide it as required.

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4. Administrative Management

The legal framework in China might be pretty different to the one in your own country, therefore to get a general understanding about some crucial topics will bring you a long way to ensure smooth operations.

This chapter will give you information about:

- The importance of Chops and Chop management within China;
- The Challenges of IT infrastructure, especially caused by the “great firewall of China,” for international companies;
- Data protection guidelines, Cybersecurity and
- Environment, health, work & fire safety.

Staying compliant with all of these topics and their underlying regulations can be a serious challenge, especially considering that frequent changes and grey areas of interpretation exist.

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