

China Contracts: Not Quite Legal Usually Means 100% Illegal

Dan Harris of Harris Bricken, LLP, writing in **China Law Blog**, updates his earlier discussion of the dangers of relying on China employment contracts that split the salaries of expatriate employees working in China.

He explains that Chinese company employers may hire expats with the promise that they will get paid 30 percent in China and 70 percent in Hong Kong or some other country, and then the worker never gets the 70 percent.

“Both you and them are engaging in tax fraud but all that should matter for you is that you are engaging in tax fraud – assuming your employer actually pays you outside China, which they often do not,” Harris writes.

The takeaway is that a less than fully legal, truly enforceable contract is no contract at all.

Read the article.