

Beware Of Being Burned By the China MOU/LOI

Dan Harris writes in the **Above the Law** blog about how U.S. companies relying on a Letter of Intent (LOI) or a Memorandum of Understanding (MOU) detailing the terms of their proposed China deal may be exposing themselves to substantial liability.

“Most U.S. (and many European companies) assume that no party is exposed to any liability during the negotiation period as liability arises only after the parties have executed a formal, written contract. If their written document states that it is non-binding, no liability can arise,” he writes. But the rule in China is the opposite.

Read the article.