China Contracts: Why Even Bother?

Many people believe that having a contract with Chinese companies is a waste of time and money because “everyone knows” that China never enforces contracts, writes Dan Harris in a posting on Above the Law.

But there are three reasons why it makes sense to have a contract with your Chinese counterparty, and only one of those reasons is enforceability, he explains.

One reason is to assure that the Chinese company with which you are doing business truly understands what you want of it, he writes. Another reason for having a well-written Chinese language contract with your Chinese counterparty is to convince it that it will be better off complying with your contract than violating it. And the third reason is enforceability.

Read the article.