

Alerts & Publications



O'Melveny Authors Two New Articles on Complex China-Inbound Transactions

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Given the increasing importance of the China market and Chinese companies, international corporations and investors now encounter Chinese companies in two very different contexts.

First, they often have Chinese-incorporated companies as subsidiaries. Because of the very strong authority given by Chinese law to anyone using a company "chop" and to the company's "legal representative," there are serious traps for the unaware in this area.

Second, international companies and investors must often deal with Chinese companies as counterparties, both inside and outside of China, and again Chinese corporate procedures for authorizing contracts are different from those in the West.

In both contexts it is very important to know who in a Chinese company has authority to act on behalf of the company, and what procedures are necessary (depending on the context) to restrict such authority.

Howard Chao, Chair of O'Melveny's Asia Practice, recently co-authored two articles, "Restricting Contracting Authority of Chinese Subsidiaries Checklist," and "Executing Contracts with Chinese Enterprises," published by Practical Law Company in *Practical Law the Journal*. The articles outline some of legal and practice considerations on these important subjects.

Drawing on his decades of experience advising on complex China-inbound transactions, Chao lays out the basic information that all multinationals should know in setting up their subsidiary operations in China and before entering into agreements with Chinese counterparties, and offers practical tips for how best to minimize risk exposure.

Please click below to read each article:

[Restricting Contracting Authority of Chinese Subsidiaries Checklist](#)

[Executing Contracts with Chinese Enterprises](#)