fast-changing legal environment itself is a risk

Description

I just happened to read another article posted at China Briefing website (click here for details of the post) regarding pre-nuptial agreements and inheritance issues in China.

There is nothing wrong about the contents of the article as it was written in accordance with rules and laws effective and applicable then. However, when we examine the article based on the latest laws related to the subject matter there, we will find that some of the information given in that article is indeed wrong for the reason that China has updated the laws in those regards. I am referring to choice of applicable laws in case of a foreign-related inheritance in China. For correct and proper information in respect of choice of law in inheritance, please refer to "inherit money from abroad is a pain" for more.

Laws and regulations in regard of foreign investment and foreign exchange control in China have been developing and changing at very fast pace with many rules being repealed soon after one or two years. Foreign investors may not rely on sketchy information for business decisions. And for any long term investment projects in China, it is important and necessary for the parties to insert a clause in relevant deal contract or other legal documents to the effect that the terms of deal documents shall be revised in case that any change of Chinese laws allows the foreign party to be entitled to more benefits. For example, over time, Chinese government may allow foreign investors to hold greater equity interests or shareholder in a joint venture, and for those joint ventures set up earlier, such clause will help the foreign party to gain more control over the joint venture businesses.

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The point I am making here is that with China still developing very fast and everything here changing quickly, the legal environment in China is also dynamic and fast-changing, which may pose a risk to people who rely on legal information obtained from internet and other historic sources, which may not be accurate.

So you may don't want to, but you will end up having to hire a local Chinese lawyer to assist you in making sound decisions related to China. China is a real headache for many foreign individuals and businesses.

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admin