

HERBERT SMITH FREEHILLS UPDATES ESSENTIAL GUIDE TO TROUBLE-FREE CHINA CONTRACTS

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Firm news

Hong Kong: Herbert Smith Freehills has launched a new edition of its practical guide, "[Governing law and dispute resolution clauses for China-related contracts](#)".

Popularly known as '*The Dragon Book*', the guide helps in-house lawyers negotiating China-related commercial contracts to understand the workings of Mainland Chinese law as it affects choice of law and other options for resolving disputes.

"Every commercial contract in the world should state the law by which it is governed and cover what will happen if things go wrong – will disputes will be resolved by arbitration or litigation; where will the process take place?" said Herbert Smith Freehills arbitration partner May Tai.

"However, Chinese law restricts both the choice of law and the types of dispute resolution that can be used for China-related contracts, so drafting the relevant clauses in these contracts is not straightforward."

Since the first edition of *The Dragon Book* was published, the scale of China business has grown enormously, and disputes have naturally grown as deal volume increases.

"As Chinese investors extend their reach yet further, including as part of the One Belt, One Road initiative, it is inevitable that we will see an increasing number of disputes involving Chinese parties," said May. "Understanding how best to structure your contract to resolve these disputes when they do arise, and enforcing the ultimate outcome, is a vital piece of the investor's toolkit".

For a copy of the guide, please email briana.young@hsf.com.

Notes for editors

1. Herbert Smith Freehills' leading Asia disputes practice numbers 20 partners and 80 lawyers. It advises clients on complex litigation, arbitration, corporate crime and investigations, financial services regulatory, employment, competition and private wealth matters.
2. Across Asia, Herbert Smith Freehills' international arbitration practice numbers 13 partners and 40 lawyers, the largest practice of its kind in this region. *Global Arbitration Review* recently ranked Herbert Smith Freehills as having the third-busiest arbitration practice in the world.
3. The firm's dedicated arbitration partners in Asia are Justin D'Agostino, Simon Chapman, Elizabeth Poulos, Kathryn Sanger and May Tai in Hong Kong; Jessica Fei in Mainland China; Peter Godwin, David Gilmore, Christopher Hunt, Emma Kratochvilova and Elaine Wong in Tokyo; Alastair Henderson in Singapore; and Gavin Margetson in Bangkok.
4. Disclaimer: As with all foreign law firms operating in mainland China, Herbert Smith Freehills is not permitted under existing legislation to render opinions on PRC law. Nevertheless, our foreign clients regularly seek our assistance on Chinese law issues. Our views are based on our experience of similar transactions in the past, our legal research and understanding of market practice.

About Herbert Smith Freehills

Operating from over 26 offices across Asia Pacific, EMEA and North America, Herbert Smith Freehills is at the heart of the new global business landscape providing premium quality, full-service legal advice. We provide many of the world's most important organisations with access to market-leading dispute resolution, projects and transactional legal advice, combined with expertise in a number of global industry sectors, including energy, natural resources, infrastructure and financial services. www.herbertsmithfreehills.com

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