

Table of Contents

Introduction	6
I What is Meant by "Joint Venture"?	
The Legal Setting	7
Joint Ventures in General	7
Contractual Joint Ventures	8
Equity Joint Ventures	9
Equity or Capital Contributions	9
The Board of Directors	11
Labour Relations	11
Procurement of Raw Materials	12
Product Marketing	13
Fundamental Changes to the Joint Venture	13
Dispute Resolution	14
Hybrid Joint Ventures	14
II Major Issues for Consideration	
Transfer of Technology	16
Foreign Exchange	17
Taxation	18
Insurance	20
Selection of Geographic Location	20
III The Process Involved in Establishing a Joint Venture	
Preliminary Negotiations	21
Letter(s) of Intent are Signed	21
Further Negotiations	21
An Agreement in Principle	21
Detailed Feasibility Study	22
Chinese Government Preliminary Approvals	22
A Binding Contract	22
Further Chinese Government Approvals	22
Official Registration	22
IV Major Problem Areas	
Foreign Exchange	24
Capital Contributions	24
Identifying the Right Partner	24
Time and Approval Delays	25
Letters of Intent	25