



Publication of Embassy Guidelines

Guidelines for the support of Swiss and Liechtenstein companies asking for assistance to solve a problem of the company with Chinese business partners or Chinese authorities

First published: 5 April 2022

Swiss and Liechtenstein companies doing business in China

While the majority of Swiss and Liechtenstein companies in China has successfully been doing business, disputes between authorities and companies or between companies still occur from time to time. Particularly exposed to commercial difficulties are SMEs that may lack the necessary resources to anticipate the complex business and regulatory environment. Depending on the context, companies may incur significant reputational or financial damage when embroiled in commercial disputes. Swiss and Liechtenstein companies have faced challenges related to market entry, technical/non-technical barriers to trade, and legal aspects such as IP infringements and contract enforcement.

Commercial disputes in China

As in any country, the primary institutes to resolve business disputes in China are local jurisdictions or arbitration instances. Many foreign enterprises doing business in China tend to opt for resolution by arbitration rather than litigation.

What we can do

The Swiss Embassy is committed to support Swiss and Liechtenstein companies in the spirit of 'service public'. We can offer Swiss and Liechtenstein companies basic information on the political and legal systems in China, or relevant policy developments. We also assist the companies by providing them practical guidance on how to do successful business and to avoid business traps and problems in China. On a mandate basis, the Swiss Embassy, represented by the Swiss Business Hub China, can provide Swiss companies with in-depth consultancy services. The fee charged for these in-depth consultancy services is based on the ['Ordinance on the Fees charged by the Federal Department of Foreign Affairs' \(FDFA Fees Ordinance, FeeO FDFA. SR 191.11\)](#). The first hour of services is not billed (Art. 16 FeeO FDFA).

In specific circumstances in the public respectively general economic interest, such as denial of justice, breach of international contracts or the international law, and any other form of discrimination of a Swiss or Liechtenstein company in China, the Swiss Embassy may consider supporting Swiss or Liechtenstein companies with advice, try to obtain clarification from the authorities, or raise the attention of the authorities on specific aspects of a case without interfering into China's legal system. Interventions by the Swiss Embassy are subsidiary; they may only be considered on the condition that the company itself has taken the necessary legal action and where there is no wrongdoing on the side of the Swiss or Liechtenstein company in China.

A discrimination risk can be assumed in particular in the following cases:

- cases involving (non-)tariff barriers to trade,
- outstanding sums from foreign public or semi-public institutions or assets blocked by these institutions,
- unfair award procedures of public contracts,
- the protection of intellectual property,
- expropriation and nationalisation or similar cases.

What we cannot do

Even if the Swiss Embassy endeavors to provide useful legal information and recommendations within the scope of its possibilities, it cannot act as a legal advisor or as a law firm. We cannot offer professional legal services or debt collection, pay for legal fees, or guarantee business safety (non-exhaustive list).

How to find advice

In cases where a Swiss or Liechtenstein company would like to receive consultancy services on doing business in China, such as information on market entry or regulatory provisions, partner searches, market analysis, fact finding missions, event support, company set-up and legal advice (non-exhaustive list), it may contact the [Swiss Business Hub China](#).

Should a Swiss or Liechtenstein company become involved in commercial disputes or business disagreements occur, its primary contact should be a qualified lawyer who is familiar with the business and regulatory environment in China. For strategic advisory or consultancy services, it may contact the Swiss Business Hub China, in case of discrimination risk, the Economic, Financial and Commercial Section of the Swiss Embassy Beijing.

Switzerland has also established bilateral agreements and dialogues between PRC authorities in a large number of areas to improve the framework conditions for bilateral trade and investment between Switzerland and China.

More information about the bilateral Free Trade Agreement between Switzerland and China can be found on the websites of the [Swiss State Secretariat for Economic Affairs SECO](#) and the Swiss Trade and Investment Promotion organization [Switzerland Global Enterprise S-GE](#).

A list of bilateral treaties between Switzerland and China can be found [here](#).