**(2)Guidelines for Doing Business with China**

When you start to do business with a Chinese company for the first time, you are suggested to follow the following advises to avoid possible trade dispute. As there is increase in amounts of trade disputes nowadays between Egyptian and Chinese companies, some Egyptian companies complain that Chinese companies searched from internet are not reliable, which is not true. E-commerce is becoming so popular nowadays in China as well as in the whole world. We should take advantage of the high efficiency of e-commerce, and make the best use of it. In the mean time, we should be more cautious and careful in every step of business to prevent the fraud or cheating in international trade.

In order to reduce business risk and better protect your benefit, you need to be very professional and careful in dealing with any business partners. Here are some guidelines for your reference to avoid fraud or cheating when starting business with a Chinese company:

1. You are recommended to search from the reliable B2B websites, e.g. Canton Fair online, governmental websites, CCPIT and its branch chambers’ websites, where all the participants and members are duly registered and checked. It does not necessarily mean the commercial B2B websites are not reliable because they are also very active and efficient for small business.

1. Ask for company Business License, and check if it is legally registered and their business license remains valid from <http://gsxt.saic.gov.cn/>. There is information of the company’s registered capital, legal person’s name, company address, as well as their business scope in the Business License. Ask them to send you an English translation of their business license for better understanding. If you are not sure of the content of any important document from a company, ask them to sign and stamp on it, or ask for document legalization through CCPIT or your Embassy in Beijing.
2. Check company qualification not only by checking their website, but also by asking for their ISO certificates, Chamber of Commerce membership certificates, previous sales or export reference, previous contracts signed with other buyers if possible, or comment letters from previous clients. All the big and reputable companies have these qualification documents and are willing to provide them to their clients. If you could not be sure of the content of the document, you may ask them to legalize it by CCPIT or by Egyptian Embassy in China.
3. Always ask for the company’s stamp and legal person’s (or his authorized person’s) signature in all important document, e.g. company business license, qualification document, sales contract, Proforma Invoice, etc.. Sign formal Sales Contract or Proforma Invoice with complete technical and commercial terms of conditions, which should include: payment terms, inspection before delivery, dispute settlement method, etc.. So when dispute does arise, you have ways to solve it. All the good and reputable Chinese companies are willing to sign such complete contract for the benefit of both parties.
4. Make sure all the document issued by the same company name, and better in the same address of the company location as in their business license, to avoid issue of fake document. Ask for Embassy legalization of Invoice and Country of Origin Certificate to ensure no false document.
5. Check company bank account before remitting money and make sure it is not in any private person’s name, double check with the Chinese company if you receive email notice to change their company bank account to a third country or a third place to avoid being cheated by Hacker. Always doing business with the company but not with any private person.
6. Do not believe in lower-than-cost price offer, excessive pursuit of cheap price is usually the main cause of the false transaction. It provides chances to the illegal person to commit crime. Keep doing business with previous reliable companies, and not to over-pursue low price. The small price difference may result in big total loss.

If you could do business with any company according to the above mentioned do’s and don’ts, you are much more on the safe side. Remember there are risks in all business, you need to be more professional and cautious to regulate in details of the liabilities and responsibilities of each party to avoid possible future disputes. Most of the cases this office received are for small contracts, while most of the big contracts executed between big and regular companies of our two countries are quite good and safe, which proves that the more cautious and considerate you are, the less risk you bear.

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