

(All documents from the State Administration of Foreign Experts Affairs,P.R.of China)

## **CONTRACT**

### **(SAMPLE)**

I Party A \_\_\_\_\_ wishes to engage the service of Party B \_\_\_\_\_ as \_\_\_\_\_. The two parties, in a spirit of friendly cooperation, agree to sign this contract and pledge to fulfil conscientiously all the obligations stipulated in it.

II The period of service will be from the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ to the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

III The duties of Party B (see attached pages)

IV Party B's monthly salary will be ¥ \_\_\_\_\_ yuan RMB, \_\_\_ % of which can be converted into foreign currency monthly.

V Party A's Obligations

1. Party A shall introduce to Party B the laws, decrees and relevant regulations enacted by the Chinese government, the Party A' work system and regulations concerning administration of foreign experts.
2. Party A shall conduct direction, supervision and evaluation of Party B's work.
3. Party A shall provide Party B with necessary working and living conditions.
4. Party A shall provide co-workers.
5. Party A shall pay Party B's salary regularly by the month.

VI Party B's obligations

1. Party B shall observe the laws, decrees and relevant regulations enacted by the Chinese government and shall not interfere in China's internal affairs.
2. Party B shall observe Party A's work system and regulations concerning administration of foreign experts and shall accept Party A's arrangement, direction, supervision and evaluation in regard to his/her work. Without Party A's consent, Party B shall not render service elsewhere or hold concurrently any post unrelated to the work agreed on with Party A.
3. Party B shall complete the tasks agreed on schedule and guarantee the quality of work.
4. Party B shall respect China's religious policy, and shall not conduct religious activities incompatible with the status of an expert.
5. Party B shall respect the Chinese people's moral standards and customs.

## VII Revision, Cancellation and Termination of the Contract

1. Both parties should abide by the contract and should refrain from revising, canceling, or terminating the contract without mutual consent.
2. The contract can be revised, canceled, or terminated with mutual consent. Before both parties have reached an agreement, the contract should be strictly observed.
3. Party A has the right to cancel the contract with a written notice to Party B under the following conditions;
  - (1) Party B does not fulfill the contract or does not fulfill the contract obligations according to the terms stipulated, and has failed to amend after Party A has pointed it out.
  - (2) According to the doctor's diagnosis, Party B cannot resume normal work after a continued 30 day sick leave.
4. Party B has the right to cancel the contract with a written notice to party A under the following conditions:
  - (1) Party A has not provided Party B with necessary working and living conditions as stipulated in the contract.
  - (2) Party A has not paid Party B as scheduled.

## VIII Breach Penalty

When either of the two parties fails to fulfill the contract or fails to fulfill the contract obligations according to the terms stipulated, that is, breaks the contract, it must pay a breach penalty of US\$500 to 2,000 (or the equivalent in RMB).

If Party B asks to cancel the contract due to events beyond control, it should produce certifications by the department concerned, obtain Party A's consent, and pay its own return expenses; If Party B cancels the contract without valid reason, it should pay its own return expenses and pay breach penalty to Party A. If Party A asks to cancel the contract due to events beyond control, with the consent of Party B, it should pay Party B's return expenses; if Party A cancels the contract without valid reason, it should pay Party B's return expenses and pay a breach penalty to Party B.

IX The appendix of this contract is an inseparable part of the contract and has equal effect

X This contract takes effect on the date signed by both parties and will automatically expire when the contract ends. If either of the two parties asks for a new contract, it should forward its request to another party 90 days prior to the expiration of the contract, and sign the new contract with mutual consent. Party B shall bear all expenses incurred when staying on after the contract expires.

## XI Arbitration

The two parties shall consult with each other and mediate any disputes which may arise about the contract. If all attempts fail, the two parties can appeal to the organization of arbitration for foreign experts affairs in the State Administration of Foreign Experts Affairs and ask for a final arbitration.

This Contract is signed at \_\_\_\_\_, in duplicate, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, in the Chinese and \_\_\_\_\_ languages, both texts being equally authentic.

Party A Party B  
(Signature) (Signature)

## **REFERENCE SAMPLE OF THE APPENDIX OF STANDARD WORK CONTRACT FOR FOREIGN CULTURAL AND EDUCATIONAL EXPERTS**

The host institution and the foreign cultural and educational expert shall, when signing the appendix of the contract, comply with the provisions of Administrative Measures on the Salary and Living Treatment of Foreign Cultural and Educational Expert issued by State Administration of Foreign Experts Affairs and Ministry of Finance (Wai-Zhuan-Fa No.247(1996)) and decide the salary and living treatment according to the concrete circumstances of the host institution and the foreign cultural and educational expert.

### APPENDIX OF STANDARD ENGAGEMENT CONTRACT NO. 1001

#### I Work assignment

(The business department shall list the work assignment that the employed party is supposed to undertake in details without simplification. There shall be requirements on quality of the work the employed party undertakes.)

#### II The salary treatment

##### 1. Direct payment

Monetary salary RMB /month. The salary will be paid monthly with RMB from the day of starting work to the expiration of the contract. In case the time is shorter than a whole month, the payment shall be counted by day. The daily wage shall be 1/30 of the monthly salary (the same with February). No more than 70% of the salary can be changed into foreign currencies monthly. The employed party shall pay the personal income tax in accord with the Personal Income Tax Law of The People's Republic of China.

##### 2. Indirect payment

The employing party will guarantee the fundamental living conditions for the employed party in China:

- 1) Providing lodging with furniture, bedding, telephone, television, refrigerator, toilet, heating and cooling facilities. (The lodging provided to the party whose employment term is longer than half a year (or one semester) shall be equipped with a kitchen.)
- 2) Providing free medical care. (The employing party shall pay all the medical cost for the employed party. Considering the current salary level of the foreign cultural and educational experts working in China and the medical care fees charged by Chinese hospitals for foreigners, there does exist conditions for them to cover part of the medical care expenses.) The employed party should receive medical treatment in the hospital foreigners appointed by the employing party, otherwise, the expenses shall be covered by the employed party. Expenses for registration, transportation for medical care, tooth inlaying, face lifting, massage, glasses, meals in hospital, tonics not for medical purpose, and doctor's house calls shall be covered by the employed party.
- 3) Providing transportation to and from work or providing proper transportation

allowance for the employed party whose work place is far from residence.

4) International air ticket (international economy class air ticket for the nearest distance between China and the country of the employed party)

5) Luggage transportation expenses (if by air transport, the expenses shall be calculated by separate transportation for 24 kilograms, not by that of accompanying transportation. Alternatively, the expenses can also be paid to the employed party with 1/5 of the international air ticket price in RMB (roughly equivalent to the expenses for separate transportation of 24 kilograms). Since airlines between China and the U.S. stipulate to carry two large pieces of luggage of 64 kilograms for free, the employed party from the United States may not bear the luggage transportation expenses.

### III Work Time, Rest and Holidays

1. The work time of the employed party shall be 8 hours every day, and 5 days every week.

2. If the host institution arranges overtime work for the party employed, it will pay the employed party a salary higher than that normal work time according to legal standard.

3. The party employed is entitled to the following holidays and festivals in China: New Year's Day, Spring Festival, May Day, National Day and other holidays stipulated by laws and regulations.

4. The party employed is entitled to the following festivals and holidays corresponding to their nationalities and religions:

Two days for Christmas, three days for Corban, one day for Lesser Bairam and one day for Water-splashing Festival.

5. The party employed is entitled to the paid annual vacation. Employed party under one year contract is entitled to a four week paid vacation. Employed party in educational institution under one academic year contract is entitled to a paid (winter or summer) vacation.

6. As a rule the party employed is supposed to work in China not longer than 5 continuous years. The next employment in China should be two years after.

### IV Sick leave and private affairs leave

1. Certificate from doctors for foreigners appointed by the host institution should be presented when the employed party asks for sick leave. If the sick leaves amount to less than 30 days within one contract term (one year or one academic year), the party employed shall be paid with 100% of the salary. In case the leaves exceed 30 days, the host institution has the right to terminate the contract, or, if the contract is not terminated, the 70% of the salary will be paid until the normal work is resumed.

During the term of the contract, the medical care expenses of the employed party in the hospitals foreigners appointed by the local government during business errands shall be paid by the host institution; the medical expenses incurred during private travels shall be covered by the employed party.

During the term of the contract, medical expenses incurred in Taiwan province, Hong Kong SAR, Macao SAR and places outside China will be covered by the employed party.

2. Private affairs leave of the employed party shall be approved by the host institution. The host institution will deduct the salary by day. In the contract term (one year or one academic year), the private affairs leaves should not exceed 10 days. The continuous private affairs leave shall be no more than 3 days, and two days' salary will be deducted for each day thereafter.

In case of absence from work without the host institution's permission, 3 days' salary will be deducted for each day absent. For serious circumstances, the host institution has the right to terminate the contract and investigate the liability of the employed party for violation of the contract.

#### V The Probation period of the Contract and the Credit Bail

1. The probation period of the employed party shall be 60 days. In the probation period, if the host institution finds out that the employed party is unfit for the assignment specified in the contract for reasons of health or professional ability, it has the right to terminate the contract.

2. The employed party that is engaged through self-recommendation or others' introduction shall pay a certain amount of credit bail (600 \$ to 1,000 \$, or that set by the host institution) before entering China so as to prove his/her good faith for employment. The host institution shall handle the formalities for the employed party to enter China after receiving the bail. The bail shall be returned to the employed party as the employment ends.

Where the host institution provides the employed party with the international air ticket to China, the employed party may purchase the ticket by him/herself (with the traveling expenses as the credit bail), and the expenses will be reimbursed before the expiration of the contract.

VI Other items that the two parties think not covered by the standard contract.

VII Confirmation and change of every term of the appendix of the standard contract must be stipulated in written form through negotiation between the two parties. Any oral agreement will be regarded as invalid.

This appendix has equal validity of the standard contract and comprises an integral part of the contract.

The signature of the host institution the signature of the employed party

## **NOTICE FOR FOREIGN CULTURAL AND EDUCATIONAL EXPERTS WORKING IN CHINA**

### **I Preparation before coming to China**

The foreign cultural and educational experts shall complete the following two preparations before coming to China:

#### **1 Mental preparation**

The foreign cultural and educational experts shall complete sufficient mental preparations before leaving for China. You might have visited some views and interests of one or more cities of China in very short period before, but the communication with Chinese and the understanding of Chinese culture and custom are far from deep. This time, different from the previous visit, you are supposed to live and work with Chinese for one or more years in a country where the history, culture, tradition and social system are entirely different from those in your own country. The people of China are hospitable. As long as you consciously blend yourself into Chinese people and treat yourself as a member of them, you will get further understanding of China and its people and may even form an inseparable relationship with China and Chinese people.

#### **2 Material preparation**

The foreign cultural and educational experts generally have the traveling experience and are aware of what kind of luggage and paraphernalia should be carried. Your host institution has prepared excellent living and working conditions for you. As is known to all, China is still a developing country. Except that some big-size and middle-size cities are in preferable conditions, the conditions in remote areas are much worse. However, in order to welcome the foreign experts, the host institutions have tried their best to make sure you are comfortable in life, convenient in work and have no latter worry. It's so good that the foreign experts have the mental preparations and are not overcritical in requiring the host institutions provide the same living and working conditions as in their own country.

What is important is that your goal is to work in China. You need to prepare relevant articles as portable personal computer, instruments and facilities, and books and materials for if the preparation is not plenty, your work may be affected. In case you are not sure, you are suggested to inquire your host institution about what living and working articles shall be carried with.

**II** The foreign expert shall provide the following materials to the host institution when applying for a job:

#### **1. Personal Resume;**

2. Degree Certificate (copy);
3. Recommendation letter written by professor of his country;
4. Certificate of Teacher or relevant professional skill certificate;
5. Evidence on marriage status; (The Chinese people is in great respect of family. Cohabitation without marriage is deemed as not in accord with traditional morality and violation of Chinese Marriage Law. Therefore, we hope that the foreign experts-respect the custom and habit of Chinese people. According to regulation, fiance or fiancee cannot enjoy related expenses provided by the host institution, as is found out to be in accord with international conventions.)
6. Health evidence (the foreign expert may ask for the Medical Examination Record of Aliens made by Ministry of Sanitation of China in the Chinese embassy or consulate in your country and do physical examination thereafter.)

Notice: (1) According to the stipulations of Chinese law, the validity period of Medical Examination Record of Aliens is 6 months. Therefore, the foreign experts should pay attention to the time for medical examination and make sure the Medical Examination Record of Aliens is valid within 30 days desirable for handling of necessary formalities after entering China.

(2) Every item in the Medical Examination Record of Aliens shall be filled in without blanks.

(3) The experts shall demand X ray film and original serology examination list of sexual disease and AIDS from the doctor, for after entering China, the sanitation and quarantine department of China will determine whether the Medical Examination Record of Aliens is qualified according to the evidences.

III After the foreign expert and the host institution formed the employment relationship, the uniform Standard Employment Contract made by the State Administration of Foreign Experts Affairs shall be reached. In case the employment is by way of self-recommendation or other introduction, to ensure you are surely willing to take office in the institution, the host institution may require you render credit bail of \$600-1000 (the amount can be negotiated) in advance according to the stipulations of State Administration of Foreign Experts Affairs. After receiving the bail, the host institution is ready to handle the formalities for you to enter China. After you take office or before the contract expires, the host institutions shall return the bail to you. Some institution may provide you the out and home international airplane ticket, but you are probably expected to buy the international airplane ticket in advance, which shall be kept as the credit bail and may be reimbursed before the expiration of the contract.

IV According to regulations of Chinese government, where the employment term of foreign experts is more than 6 months, the host institution is obliged to send the Confirmation Letter for Foreign Expert (original piece), which proves the identity of the expert, to the expert himself. Only when the invitation letter and the Confirmation Letter for Foreign Expert are possessed (none of them shall be absent) can the foreign expert apply to the Chinese embassy or consulate in his country for visa for working in China



(Z); where the employment term is less than 6 months, visa for visiting China (F) can be applied by the invitation letter presented by the engaging unit.

Note: foreign experts entering China for work must apply for the corresponding working or visiting visa according to the employing term or invitation term, and not for the traveling visa. Otherwise, you may get in great trouble. For according to stipulations of Chinese law, traveling visa holder cannot work in China and the traveling visa is not convenient to be changed into working visa or visiting visa. The visa can be changed only when outside the border (for example, you can switch to Hong Kong SAR of China) and after the host institution presents the working invitation letter for a second time, the working visa can be granted for entry into China.

V According to stipulations of Chinese law, aliens who hold the working visa shall handle the Residence Permit for Aliens within 30 days after entry. If it exceeds the term, a fine of RMB500 per day will be imposed. We hope the foreign experts settle down the residence permit within specified term and such unhappy things as being fined do not happen.

The handling of Residence Permit for of Aliens shall be on:

- \* Valid passport (working visa)
- \* Foreign Expert Certificate
- \* Authentication Certificate issued by the sanitation and quarantine department that confirms the qualification of Medical Examination Record of Aliens.

Note:

(1) foreign experts shall pay attention to the residence term of their own Residence Permit for Aliens. In case the term needs to be prolonged, procedures for prolonging the residence term shall be promptly handled in local public security organ. Overtime will be subject to fine according to stipulations of Chinese law.

(2) According to stipulations of Chinese law, the aliens shall, when changing their residences, settle down the domicile out-moving procedures in the local public security organ in advance and then handle the domicile in-moving procedures in public security organ of the new domicile.

(3) According to Chinese law, in the valid period of Residence Permit for Aliens, the aliens shall settle down the re-entry procedures in the local public security organ in advance before temporary exit. Otherwise, the frontier inspection organ may capture the Residence Permit for Aliens and you have to request the host institution spend a lot of time to re-handle the entry 2rocedures when you seek another entry.

VI Chinese government specifies that all the foreign experts engaged for work in China shall settle down the Foreign Expert Certificate so as to differentiate from the Occupation Certificate of Aliens acquired by the foreign employees from the department of labor. The foreign experts who hold the working visa (Z) or visiting visa (F) may acquire the Foreign Expert Certificate. The foreign experts shall return the Foreign Expert Certificate to the host institution when leaving China for the work in China has been completed. In case the foreign experts want.to keep the Foreign Expert Certificate as a memoria, the host institution may consent, but the certificate shall be cancelled.

The handling of Foreign Expert Certificate shall be based on:

\* Valid passport (working visa)

\* Standard Employment Contract signed with the host institution or copy of agreement between governments or colleges; the contract of dispatch document of the teachers or managing personnel of schools that specifically enroll children of foreigners; the staff of the standing body of foreign organizations in China shall have the appointment or dispatch document issued by the organization.

Note:

(1) According to the stipulations of Chinese government, the valid term of Foreign Expert Certificate is one year. If the foreign expert and the host institution jointly determine that the term shall be prolonged, the procedures for prolonging the Foreign Expert Certificate shall be handled in the certificate issuing authority in evidence of the new employment contract. And afterwards, the procedures for prolonging the Residence Permit for Aliens shall be settled down in the public security organ by the Foreign Expert Certificate.

(2) According to the stipulations of Chinese government, in case the foreign expert has finished his work in one host institution and is employed by another institution, the former Foreign Expert Certificate will become invalid and shall be returned to the former host institution. The new host institution shall handle new certificate for the expert.

(3) According to the stipulations of Chinese government, Foreign Expert Certificate applies to the principle of territorial governing. Therefore, in case the foreign expert finished his work in one city and is employed in another city, the former Foreign Expert Certificate will become invalid and shall be returned to the former host institution. The new host institution shall handle new certificate for the expert.

VII According to the stipulations of Chinese government, for the purpose of protecting the legitimate rights and interests of foreign expert in course of living and working in China, the foreign cultural and educational experts shall enter into the Standard Employment Contract uniformly made by the State Administration of Foreign Experts Affairs with the host institution and definitely stipulate in form of contractual attachment the working assignment and quality, the salary, treatment and other matters the two parties consider the Standard Contract has not covered. All these comprise an integral contract.

\* In order to protect the legitimate rights and interests of foreign experts in China, when entering the contract, please note:

(1) The conclusion of Standard Employment Contract shall use the original document. The copy is invalid. The Standard Employment Contract has six translated version as English, French, German, Spanish, Japanese and Arabic. Version of other languages can be instituted by the English version or be translated and made by the host institution.

(2) The employment contract shall be concluded in written form Any oral agreement will be regarded as invalid.

(3) The foreign expert shall sign the contract before coming to China; those who have been staying in China shall enter the contract before taking office.

(4) Considering the foreign expert is in need of renovating his knowledge and shall adapt

his native life and find a new job as soon as possible after repatriation, the continuous term of the contract for the foreign expert to work in China is not suitable for over 5 years. The next employment shall be after two years.

(5) The host institution may stipulate a probation period of 60 days for the foreign expert. In the probation period, if the host institution finds out that such situation of the foreign expert as the health condition or professional ability is not fit for the working assignment agreed upon in the employment contract, he is entitled the right to cancel the contract.

\* When signing the attachment of the employment contract, please note:

(1) The Standard Employment Contract made by the State Administration of Foreign Experts Affairs has the uniform serial number. Therefore, the attachment shall be marked as the attachment of which number of standard contract in order to show the coherence with the standard contract.

(2) The working assignment shall be concrete and not ambiguous. The quality of the work shall also be definitely stipulated.

(3) Other matters the foreign expert considers the Standard Contract has not covered.

(4) It shall be explained that the attachment has equal validity to the standard employment contract and comprises an integral part of the contract.

(5) The attachment shall take effect after the foreign expert and the representative of the host institution sign it.

Note: the foreign expert must consult with the host institution about salary and living treatment before coming to China and stipulate such matters in form of attachment of the contract. The salary and living treatment mentioned below are applicable to the general conditions and are probably unfit for the requirement of your host institution or yourself.

#### 1. Salary and treatment

1) Direct payment monetary salary the salary will be paid monthly by RMB from the day of starting work to the expiration of the contract. In case it is not enough for a whole month, the payment shall be counted by day. The daily wage shall be 1/30 of the monthly salary (February will be the same). No more than 70% of the salary can be changed into foreign currencies monthly. The employed party shall pay the personal income tax in accord with the Personal Income Tax Law of the People's Republic of China. The starting amount of taxation is RMB 4001. The monthly salary standard for reference: where the expert has got the bachelor degree and the working experience is more than two years, the monthly salary shall be no less than RMB2500. For those who has got a master degree and the working experience is over three years, the monthly salary shall be around RMB3500. For those who has got a doctor degree and the working experience is over 5 years, the monthly salary shall be about RMB4000. No more than 70% of the monthly salary can be changed into foreign currencies.

(2) Indirect payment the host institution will guarantee the fundamental living conditions for the foreign expert in China:

\* Providing the lodgings with furniture, bedding, telephone, television, refrigerator, toilet, and heating and cooling facilities.(The lodgings provided to the expert whose employment term is more than half a year (or one semester) shall be equipped with a kitchen.)

\* Providing the medical care at public expense. The foreign expert must see the doctor in the foreign-involved hospital appointed by the host institution. If not in the hospital appointed, the expert shall undertake the cost. Such costs as registration, transportation for medical care, tooth inlaying, face lifting, health protection rubdown, glasses, meals in hospital, restorative not for medical purpose, and examination outside the hospital charged shall be undertaken by the expert.

\* Paying the traffic expense for and off work or providing proper traffic allowances for the expert whose working place is far from his domicile.

\* International airplane ticket (international tourist class airplane ticket of the nearest distance from China to the country of the foreign expert).

\* Transportation cost of luggage (deportation transportation price of luggage by air).

Note: since the economic situation of the host institutions may differ, the indirect payment for each foreign expert is probably different. According to statistics, the indirect payment for each foreign expert ordinarily varies from RMB80,000 to RMB100,000.

## 2. Working Time, Rest and Holidays

(1) The working time of the foreign expert shall be 8 hours every day, and 5 days every week.

(2) In case the foreign expert is arranged to work overtime, reward above the regular salary in normal work time shall be paid in accord with legal standard.

(3) The foreign expert shall enjoy the following holidays and festivals in China: New Year's Day, Spring Festival, Labour Day, National Day and other holidays stipulated by laws and regulations.

(4) The foreign expert may enjoy such festivals and holidays as the followings according to other nationalities and religions:

Two days for Christmas, three days for Butcher Day (Kurban Day), one day for Meat Diet Resume Day and one day for Water-splashing Festival.

(5) The foreign expert may enjoy the annual holiday with payment. Where the contract term of the foreign expert is one year, the holiday with payment shall be four weeks. Where the expert works in an educational institution and the contract term is one academic year, he may enjoy one holiday (winter holiday or summer holiday) in the institution with payment.

## 3. Sick Leave and Private Affair leave

(1) Request for sick leave by the foreign expert shall be proved by the foreign-involved hospital appointed by the host institution. Where the sick leave amount to less than 30 days in one contract term (one year or one academic year), the foreign expert shall be paid 100% of the salary. In case the leave exceeds 30 days, the host institution is entitled the right to dissolve the contract, or if the contract is not dissolved, the salary will be paid by 70% until the normal work is resumed.

In the contract term, the medical care cost of the foreign expert in the foreign-involved hospital appointed by the local government during errands on business shall be paid by the host institution; the medical cost for private business shall be undertaken by the expert.

In the contract term, the foreign expert shall undertake the medical cost spent in Taiwan

province, Hong Kong SAR, Macao SAR or outside China.

(2) Private affairs leave of the foreign expert shall acquire the approval of the host institution. The host institution may deduct the salary by day. In the contract term (one year or one academic year), the private affairs leave shall not exceed 10 days. The continuous private affairs leave shall be no more than 3 days. Where one day exceeds, salary for two days will be deducted.

In case of absence off work without allowance of the employing party, where absence amounts to one day, payment for 3 days will be deducted. Where the circumstance is serious, the host institution has the right to dissolve the contract and investigate the liability of the foreign expert for violation of the contract.

How to settle the dispute on the employment contract

(1) The two parties shall seek settlement through friendly consultation.

(2) In case the consultation is not effective, the parties may apply for mediation or arbitration to Arbitration Committee on Dispute Arising from the Employment Contract for Foreign Cultural and Educational Expert established by the State Administration of Foreign Experts Affairs according to the arbitration terms in the standard contract.

(3) Where the contract is not a standard contract and has no arbitration terms, only when the two parties jointly apply for mediation or arbitration can the arbitration committee accept it. The application brought forward by one party alone will not be accepted and each party may sue to the local court.

#### VIII Protection of foreign experts' property rights

Great attention is paid to intellectual property rights the important requirements of international exchange of technology, economy, culture and talents. The Chinese government keeps strengthening the making and implementation of laws and tries to create the correct environment for the protection of intellectual property rights. Foreign experts' intellectual property rights of patents, works, special techniques and trademarks are respected and protected by the Chinese government. If the expert or his company applies for patent or trademark protection, they will own it and the right to be rewarded. The Chinese government and the departments concerned will maintain the business secrets according to law. The secrets cover designing plans, production processes, formulas, crafts, strategies of management, name lists of customers, information of material sources, policies of manufacture and sales, any bids and documents. Chinese law forbids illegal acts such as stealing, enticing, threatening or exposing the agreement.

At present Chinese laws concerning the protection of intellectual property rights are mainly the "General Rules of the Citizen Law of the People's Republic of China", and the "Trademark Law of the People's Republic of China". The "Patent Law of the People's Republic of China", the "Contract Law of the People's Republic of China", the "Rules of Computer Software Management", the "Corporation Law of the People's Republic of China", the "Foreign Trade Protection Law of the People's Republic of China", and the "Commercial Banking Law of the People's Republic of China". The "Scientific Fruit Transferring Rules of the

People's Republic of China" also concerns the protection of intellectual property rights. The Chinese government has participated in international protective actions of intellectual property rights, the negotiation of important agreements, and has accepted international duties of protecting intellectual property rights.

#### IX Insurance in China

Chinese insurance companies cover a large range of businesses. Foreign experts working in China are advised to buy the following insurances: (1) property insurance; (2) personal accident insurance; (3) vehicle insurance; (4) employer responsibility insurance; (5) public responsibility insurance, and; (6) investment insurance. The People's insurance Company of China and other large insurance companies operate many branches in Beijing and other major cities to cater to the needs of foreign customers.

#### X Medical care in China

The health system in China covers the whole country. Most of the host institutions have their own clinics to deal with minor complaints. There are hospitals in almost every city where patients can get treatment without having to travel too far. Big cities like Beijing, Shanghai, Guangzhou and all the provincial capitals have well-equipped hospitals which employ many experienced doctors and specialists with specialized departments including that of traditional Chinese medicine. Many cities have specialized hospitals. Most of them have special departments for foreign experts where patients receive first-class attention. China adopts a partly free medical care service. Particular issues concerning foreign experts' medical care should be covered in the contract.

### **Appendix:**

#### An outline of China

China is the short name of the People's Republic of China. The "Five-Star Red Flag" is its national flag while the national emblem has Tian'anmen at its center, illuminated by five stars and encircled by ears of grain and a cog wheel. Beijing is the capital of the People's Republic of China.

#### (1) Geology and climate

China is situated in eastern Asia on the west coast of the Pacific Ocean. China has a varied topography, with highlands in the west and plains in the east. Sprawling over an area of approximately 9.6 million square kilometers, it comprises 6.5 percent of the earth's landmass, making it the largest country in Asia and the third largest in the world. Of its territory, mountainous areas account for about 33 percent, plateaus 26 percent, rolling land 10 percent, basins 19 percent, and plains 12 percent. Its land borders extend to about 200,000 kilometers and it shares frontiers with the following neighbors - the Democratic People's Republic of Korea, Russia, Mongolia, Kazakstan, Tadzhikistan, Kirghizstan, Afghanistan, Pakistan, India, Nepal, Sikkim, Bhutan, Myanmar, Laos and

Viet Nam. Its coastline is as long as 180,000 kilometers from the outlet of the Yalu River in the north to the outlet of the Beilun River in the south. The long coast is lashed by the salty waters of the Bohai Bay (inland sea), the Yellow Sea, the East China Sea and the South China Sea. China's maritime neighbors are the Republic of Korea, Japan, the Philippines, Malaysia, Brunei, and Indonesia. Off the coast are no fewer than 5,000 islands, the biggest being Taiwan Island, and the second largest Hainan Island. With a total length of 6,300 kilometers, the Yangtze is China's longest river and the third longest in the world. The Yellow River, with a total length of 5,464 kilometers, is the country's second longest river. Other major rivers are the Heilongjiang River, the Haihe River, the Huaihe River, the Qiantang River and the Pearl River, etc.. Lakes in China cover a total area of 80,000 square kilometers. The major fresh-water lakes are the Boyang Lake, the Dongting Lake, the Taihu Lake and the Hongze Lake. Major salt-water lakes include the Qinghai Lake, the Namu Lake, the Qilin Lake and the Luobupo Lake.

The Himalayan is the biggest and highest mountain range in the world, on the eastern section of which looms the 8,848.13 meter high Mount Qomolangma (Everest), the world's loftiest peak rising between China and Nepal. Other major mountainous ranges in China include: the Tianshan, the Kunlun, the Karakorum, the Hengduan, the Qilian, the Gangdise, the Yinshan, the Qinling, the Greater Xing'anling, the Changbai, the Nanling and the Taiwan. The Qinghai-Tibet Plateau, the Yunnan-Guizhou Plateau, the Loess Plateau and the Inner Mongolia Plateau are the four major plateaus in China. The Qinghai-Tibet Plateau with an altitude of over 4,000 meters which is known as the "Roof of the World", is the highest plateau in the world. The Northeast China Plain, the North China Plain and the Yangtze River Plain are China's three major plains.

Because of the immense size of the country, the climate varies very much in different parts of China, ranging from tropical, subtropical, warm-temperate, temperate to cool-temperate in character. A great part of China, however, lies within subtropical and temperate climatic zones and has a monsoon climate. The northern part of the northern Heilongjiang Province, for instance, has no summer while inhabitants in southern Hainan Island never experience winter condition. Every winter from October to March, frigid winds sweep across China. As a result, winters in China are cold and dry. Between April and September, rainfall, high temperature and winds dominate. The rainfall in different parts of China also varies a great deal. The annual precipitation on the southeastern seaboard is 1,500 millimeters. And it is below 500 millimeters in northwestern China.

## (2) Administrative division system

China's administrative units are currently based on a three-level system dividing the nation into provinces, counties and townships as follows:

The country is divided into provinces, autonomous regions and municipalities directly under the Central Government;

A province or an autonomous region is divided into autonomous prefectures, autonomous counties, and/or cities;

A county or an autonomous county is divided into townships, national minority townships, and/or towns.

Municipalities directly under the Central Government and other large cities are divided

into districts and counties. regions, autonomous prefectures, and autonomous counties  
Autonomous prefectures are divided into counties, autonomous regions, autonomous prefectures, and autonomous counties are national autonomous areas.

The Constitution of the People's Republic of China specifically empowers the State to establish special administrative regions when necessary. A special administrative region is a local administrative area directly under the Central Government.

At the end of 1999, China was divided into 23 provinces, 5 autonomous regions, 4 municipalities directly under the central Government, and 2 special administrative regions (see the following table).

### **China's Provinces, Autonomous Regions, Centrally Administered**

#### **Municipalities and Special Administrative Regions**

<b>Name</b>	<b>Capital</b>	<b>Area(10,000 sq.km)</b>
Beijing Municipality	Beijing	1.68
Tianjin Municipality	Tianjin	1.13
Hebei Province	Shijiazhuang	19.00
Shanxi Province	Taiyuan	15.6
Inner Mongolia Autonomous Region	Hohhot	118.30
Liaoning Province	Shenyang	14.57
Jilin Province	Changchun	18.70
Heilongjiang Province	Harbin	46.90
Shanghai Municipality	Shanghai	0.62
Jiangsu Province	Nanjing	10.26
Zhejiang Province	Hangzhou	10.18
Anhui Province	Hefei	13.90
Fujian Province	Fuzhou	12.00
Jiangxi Province	Nanchang	16.66
Shandong Province	Ji'nan	15.30
Henan Province	Zhengzhou	16.70
Hubei Province	Wuhan	18.74
Hunan Province	Changsha	21.00
Guangdong Province	Guangzhou	18.60
Guangxi Zhuang Autonomous Region	Nanning	23.63
Hainan Province	Haikou	3.40
Chongqing Municipality	Chongqing	8.20
Sichuan Province	Chengdu	48.80
Guizhou Province	Guiyang	17.00



Yunnan Province	Kunming	39.40
Tibet Autonomous	Lhasa	122.00
Shaanxi Province	Xi'an	20.50
Gansu Province	Lanzhou	45.00
Qinghai Province	Xi'ning	72.00
Ningxia Hui Autonomous Region	Yinchuan	6.64
Xinjiang Uygur Autonomous Region	Urumqi	160.00
Hong Kong Special Administrative Region	Hong Kong	0.1092
Macao Special Administrative Region	Macao	0.00236
Taiwan Province		3.60

### (3) Chinese timetable

Starting from March 1, 1994, Chinese, who had long been working for 40 hours every week, began to work 44 hours or five days a week.

To make the best use of electrical power supplies, which are running short in many cities, employees of many enterprises have to work on Saturdays and Sundays while having weekdays off in lieu.

Office hours are usually between 8:00 - 12:00 in the morning and 2:00 - 6:00 in the afternoon, in Beijing, the working hours are 1: 00 - 5:00 in the afternoon. There may also be local changes for winter and summer seasons elsewhere.

### (4) Chinese traditional festivals, public holidays and vacations

China is a country with many nationalities. Each nationality has its own customs and traditional festivals and each festival usually has fascinating legends associated with it. Chun Jie (The Spring Festival)

The Spring Festival, or Chinese New Year, is the most important festival in China, and its celebration dates back to some two thousand years ago. It marks the beginning of the lunar year, and is the time when families get together and are reunited if they have been separated. The date of the festival varies each year, but is usually in late January or early February according to the Gregorian calendar. On Lunar New Year's eve, the sound of firecrackers can be heard throughout the night, signifying "doing away with the old and making way for the new". The practice of letting off firecrackers, however, is on the decline because many cities have banned their use to prevent fires and accidents caused by the paper bombs. It is an old custom for people to stay up late or all night on New Year's eve. In cities, most people stay up late watching TV, playing cards, dancing or preparing food for the next day.

#### Yuan Xiao Jie (The Lantern Festival)

The Lantern Festival falls 15 days after the Lunar New Year. It is a tradition to hang decorative lanterns in public places and eat "Yuan Xiao", a kind of glutinous rice flour ball

with a sweet or savory filling.

#### Qing Ming Jie (The Pure Brightness Festival)

The Pure Brightness Festival, is the fifth of the 24 solar terms according to the traditional Chinese calendar, which are defined according to the position of the sun in the zodiac. The festival takes place on the fourth or fifth day of the fourth month of the Gregorian calendar, and on this day people usually go to tidy or "sweep" the graves of their departed friends and relatives, and of revolutionary martyrs.

#### Duan Wu Jie (The Dragon Boat Festival )

The Dragon Boat Festival falls on the fifth day of the fifth lunar month. It originates as a means to propitiate the river dragon gods into a popular festival commemorating the suicide of QuYuan, a poet of the Warring States Period (475 -221BC) who could no longer bear the moral degeneration of his state. On the fifth day of the fifth month in the Lunar calendar dragon boat races are held in commemoration of those who tried to save the poet and as an offering to the river gods. Dragon boat racing has now become a popular sport in China.

#### Zhong Qiu Jie (The Mid-Autumn Festival)

The Mid-Autumn Festival is held on the 15th day of the eighth Lunar month, the middle of autumn in the traditional Chinese calendar. It takes place at harvest time on the night of the full moon, which symbolized unity. Moon cakes are eaten on this auspicious day. These are round cakes filled with dried fruits, and are symbolic of the perfect roundness of the moon at the time of the festival.

#### Chong Yang Jie (Double Nine Festival)

Double Nine Festival is a traditional Chinese festival on the 9th day of the 9th month of the Chinese Lunar calendar. In the "Books of Changes", nine (9) is defined as a positive figure ("Yang"), and "Chong" in Chinese means "double", so it is called "Double-Nine Day". On the day people go outing, climbing, kite-flying, drink wine (chrysanthemum wine) and eat cakes. The day has been appointed as "Senior Citizens' Day", "Nine" pronounces the same sound as "longevity" in Chinese, so on the day when they celebrate the festival people do things to show respect and wishes of longevity to their elderly.

#### Other festivals:

Water Splashing Festival is New Year's Day of the Dai and some other minority nationalities residing on Hainan Island, which falls on the 15th day of the 6th month of the Dai calendar usually on a mid-April day. Early in the morning during the festival, female villagers would gather to pour water over Buddhist sculptures "to wash the dust off". After that, villagers, especially boys and girls, would sprinkle water on each other, believing that diseases and germs can thus be eliminated.

Christmas and Easter for Chinese Christians, and Corban Ramadan for Muslims are also observed among some people in some places.

#### Public holidays

New Year's Day (one day off);

Spring Festival (three days off);

Labour Day (May 1, three days off);

The National Day (October 1, three days off )

Foreign experts are entitled to the above holidays and many activities are arranged both

locally and nationally to which experts will be invited. In addition, experts are entitled to holidays on occasions of important festivals in their own countries, such as Christmas, water-splashing festival, Corban, etc.. Work schedules must be arranged to fit in with such holidays, as the Chinese do not normally celebrate them.