

Aviation Debt Recoveries

Mainland China



CLYDE&CO
其礼律师事务所

No win, no fee

Aviation industry debts are not uncommon and recovering debts in an evolving market like mainland China can be challenging without legal assistance from lawyers that understand the sector and are licensed to provide local advice. Clyde & Co is the world's premier aviation law firm. Clyde & Co has four offices in China: Beijing, Shanghai and Chongqing in mainland China and Hong Kong in the HKSAR. Through its joint law venture with Westlink in mainland China, it is able to provide onshore and offshore legal advice. This includes representation before courts and arbitral tribunals.

Under the umbrella of Clyde & Co's leading dispute resolution practice, we are pleased to offer our commercial clients a low cost and no risk specialist service for the recovery of unpaid debts.

Our objective in debt recovery cases is to achieve full payment for our clients in the shortest time period possible, or to negotiate with debtors to agree a workable payment solution acceptable to our client without recourse to litigation. In rare cases where litigation is considered desirable, our core dispute resolution team is perfectly placed to advise on how to proceed.

We act for a number of local and multinational corporations in collecting their unpaid debts and account receivables. Some of our cases involve jurisdictions across the world, often in very difficult and emerging markets, and often include matters of international law.

We also handle many debt recovery / collection cases for our clients with claim amounts ranging from USD 2,000 to USD 20,000 or higher.

The jurisdiction of mainland China permits lawyers to charge for their services on the basis of success orientated or contingency fees (often referred to as "no win, no fee") in addition to other methods like hourly rates and fixed fees. In "no win, no fee" arrangements, lawyers only receive fees where clients receive a positive financial outcome, based on a % of the value claimed or a % of the invoiced value of returned property.

Ranked amongst
the top debt
recovery practices
by Legal 500

We recommend that clients consider obtaining reports on the credit and asset position of debtors prior to taking recovery steps.

We are able to obtain collection in most cases (say 60% - 80%) without starting court or arbitration proceedings. If we are unable to obtain a recovery without formal proceedings, we will write to you advising whether we believe such proceedings are likely to produce a recovery or not and provide you with our fee proposal for handling the proceedings.

Our fee arrangements

For new clients and one-off instructions, we will normally charge a retainer fee of USD 1,000 plus a contingency fee rate.

On the basis that we are instructed on a certain number of cases per year, and with a view to building a long term business relationship with you, we are pleased to handle debt collection cases on a “no win, no fee” contingency fee basis without starting legal proceedings.

1. Non-litigation

Option one

In the event of no recovery	Disbursements only
In the event of a full or partial recovery	15% contingency fee on each instalment of monies received plus miscellaneous disbursements

Option two

A fixed contingency fee rate will apply, but on a sliding scale based on the sum recovered for each individual recovery, e.g:

Collected amount (USD)	Contingency fee
0 – 100,000	15%
100,000 – 250,000	12.5%
250,000 – 1,000,000	10%
1,000,000 – 2,000,000	8%
>2,000,000	To be discussed

These fees under Option one and Option two above cover the work done in connection with attempting to negotiate an amicable settlement. Any out of pocket expenses and disbursements (e.g. fax / telephone / postage / photocopying charges, travel expenses, company searches, VAT, etc) we incur on your behalf will be included in our invoices.

The exact “amount / contingency fee rate” will be discussed / agreed in advance of taking any steps.

2. Court and arbitration proceedings

Depending on the complexity of the claim, the likelihood of obtaining a successful recovery and other factors, we may be able to act for you on the basis of a non-refundable retainer plus a contingency fee in court and arbitration proceedings.

Court and arbitration proceedings in Hong Kong and elsewhere

While lawyers in mainland China are able to operate on a contingency fee basis, this is not true of some jurisdictions including Hong Kong. Therefore, should there be a need to commence court or arbitration proceedings in Hong Kong or elsewhere or enforce a mainland Chinese arbitration or court award in Hong Kong or elsewhere then we will discuss with you our fee arrangement.

Further information

If you would like further information on any issue raised in this overview please contact:

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