

Insights



Jason Kang on Asset Recovery in China and Risks for Foreign Investors

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Looming defaults of a number of Chinese private companies, including Evergrande and Suning, point to a complicated relationship with offshore creditors that may leave foreign investors without a path to recoup their investments via Chinese courts. In Anastasiia Carrier's article "Trust Games" in *The Wire China*, Kobre & Kim's Jason Kang touches on why offshore creditors face such an uphill battle and hints at possible strategies for recovery.

As Mr. Kang, a China-focused litigator who focuses on complex cross-border disputes, including international judgment and award enforcement, explains, "Overseas creditors face serious challenges when seeking recovery from distressed Chinese conglomerates like Suning, as their claims are usually structurally subordinated to those held by PRC onshore creditors." He also provides a glimpse into what investors should consider when pursuing recovery: "As we've seen in our experience, they often need to deploy creative and aggressive legal strategies to seek recovery from the debtors' overseas assets, which are often held in complicated cross-border holding structures involving layers of SPVs in the PRC and some offshore jurisdictions."

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