

Addressing international legal and ethical issues simulation summary

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Summary Conducting business away from the domestic country can be challenging to a certain extent. Therefore, it is important for a company conducting business in foreign lands to understand the legal and the ethical issues in order to attain mutual benefits by creating strong bond with foreign business partner. There are various issues comprising host nation laws (such as employment law, intellectual property law, mergers and acquisitions law, tax and securities law among others) local culture, politics which require a full understanding on the part of the guest company to resolve legal disputes in international transaction (Martin, 2011).

While taking legal action against a foreign business partner based in another country, there often exists certain practical considerations that need to be taken into account. Contextually, the laws prevailing in the host country may not be the same as in the domestic environment and may vary drastically. Moreover, the culture of the host nation as well as the ethical values possessed by foreign business partner may not place the same degree of importance to the aspects such as trust and belief (Aliment, 2009).

Consequently, it is necessary for the guest business partner to consider and get acquainted with local values, norms and ethics for seeking legal action against a foreign business partner.

With respect to CadMex Pharma company, its partnering company i. e. Gentura is located in Candor country. There are certain factors that may work against CadMex's decisions to grant sublicensing agreements. It should be noted that a company having a number of sublicensing agreements is vulnerable to face lawsuits, if the third parties such as workers are involved

in any kind of property damages or related activities. In other words, CadMex will be liable for any damages occurring due to any third party negligence.

When, the local customs and laws conflict with the customs and laws of an organization operating abroad, essentially the local customs and laws of the particular country in which the company is located prevails. A company operating abroad has to abide by the laws, value the ethics and respect the culture of the host nation, failure to do so may render the company to attract legal actions against for not abiding by the rules and the regulations of the host country. Such legal actions may hurt the business relationship immensely and create misunderstanding against each other.

I believe that local laws, ethics and cultural aspects are closely related with each other. If the companies operating in abroad violates or behaves conversely to the local norms and laws either knowingly or unknowingly then it may considerably deteriorate the relationship with the foreign business partner and more often such activities may attract serious legal actions against the guest company.

In order to resolve the domestic and international issues between the host company and its foreign business partners, it is equally important that both the parties pay due considerations to the contract entered between the two and the contractual parties should not deviate from the conditions stated in the agreement. In addition to this, both parties should show their respect towards each other's culture and ethics, and finally, the company operating in abroad must comply with the legal requirements of the particular country and perform its activities within the jurisdiction where the business is being conducted.

References

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Martin, T. (2011). International dispute resolution. Retrieved from http://www.aipn.org/userfiles/file/IPAA_DisputeResolution_web.pdf