

Business law in China

Course Teacher: GAO Xujun

Teaching Language: English

Contact Hours: 36

Prerequisites:

Semester: Fall

Course Code:

Targeted Students: Master Candidate

Extracurricular class hours: 72

Number of learners: Less than 40

Credits: 2

1. Course Description

This course will help students learn and understand how they can do business according to Chinese business law. It will first introduce the important laws relating market access, so that students can know in which fields they are allowed to do business in China. Then it will focus on illustrating the provisions regulating the different forms of enterprises/companies in China. In this way students will get to know their Chinese business partners. After that the course will discuss about the three most important forms of enterprises for foreign investment according to the related laws and cases. At last it will talk about the two most important forms of companies for Chinese investors that can also adopted by foreign investors. During the course we discuss not only about the related laws and regulations, but also about their background and cases in real business life.

2. Course Objectives and Requirements

1)Course Objectives :

The purpose of this course is to assist students learn and understand PRC business law. In order to facilitate this process this course will adopt a hypothetical client story to help students reflect on and work through various real-life questions that are often encountered while doing business in China. The related laws and regulations are discussed in relation to China's evolving legal system, in particular within the background of the unfolding process of "reform and opening" that began in the late 1970s and continues to the present times. Students will gain an overall knowledge of legal aspects of foreign investment and business in China

2)Requirements :

The students are expected to read the related laws, cases and other materials and learn how to settle legal problems with laws.

3. Course Arrangement

Unit 1	Topics Basic information
Sesion1-4	<ol style="list-style-type: none"> 1. Introduction 2. Foreign investment law und Market Access
	<p>Group work 1</p> <ul style="list-style-type: none"> • In which field are foreign investors allowed to do business in China? <p>Group Work 2</p> <ul style="list-style-type: none"> • There are similar limitation for foreign investments in your homeland? What are they?
Required Readings	<ol style="list-style-type: none"> 1. People's Republic of China Foreign Investment law of March 15. 2019 ; 2. Special management measures for foreign investment access (negative list) (2018 edition) ; 3. Catalogue of guidance for foreign-invested industries 2017
Suggested Readings	<ol style="list-style-type: none"> 1. Yu Danling (于丹翎): Chinese Business Law, Renmin University Press, 2015, ISBN9787300219561; 2. Tarrant Mahony: Foreign Investment law in China: Regulation, Practice and Context, Qsinghua Unversity Press, 2015, ISBN 978-7-302-39589-8

Unit 2	Topics Enterprise law and Company Law: the Forms of Enterprises in China
Session 4-8	<ol style="list-style-type: none"> 3. introduction of Chinese Enterprise law and Company Law <ol style="list-style-type: none"> 3.1.Limited Liability co. 3.2. Joint Stock Limited Company , 3.3. Industrial Enterprises Owned by the Whole People 3.4. Collective ownership enterprise 3.5. The partnership 3.6. Sole Proprietorship Enterprise 3.7. Township Enterprises 3.8. Wholly Foreign-owned Enterprises , 3.9. Sino-foreign equity joint venture , 3.10.Sino-foreign cooperative joint venture
Case Study & Group Work	<p>Group work 1: what are the most important differences between the different forms of Companies in China?</p> <p>Group work 2: how many different forms of companies are there in your homeland?</p> <p>Group work 3: can foreign investors use all the different forms of companies in China and in your homeland?</p>
Required Readings	<ol style="list-style-type: none"> 1. Partnership Enterprise Law of the People's Republic of China (2006 Revision); 2. Law of the PRC of Industrial Enterprises Owned by the Whole People 3. regulations of the collective ownership enterprise in town area.

	4. Sole Proprietorship Enterprise Law of PRC
--	---

Unit 3	Topics
	Enterprise law: foreign-invested enterprises
Session 9-12	4. introduction of Chinese foreign-invested enterprises and its laws 4.1. Wholly Foreign-owned Enterprises , 4.2. Sino-foreign equity joint venture, 4.3. Sino-foreign cooperative joint venture
Case Study & Group Work	Cases (1) Sino-foreign joint venture business contract disputes(2015) , http://www.pkulaw.cn/case/pfnl ; (2) Sino-Foreign cooperative business enterprise contract dispute (2016) http://www.pkulaw.cn/case/pfnl ; (3) Arbitration on dispute of joint venture food company contract, CITAC, 2002.04.30, ttp://www.pkulaw.cn/case/atr_fc .
Required Readings	1. Law of the People's Republic of China on Chinese-Foreign Equity Joint Ventures (2016Amendment); 2. Regulation on the Implementation of the Law of the People Republic of China on Chinese-Foreign Equity Joint Ventures (2014 Revision) ; 3. Law of the People's Republic of China on Chinese-Foreign Contractual Joint Ventures (2017 Amendment) ; 4. Detailed Rules for the Implementation of the Law of the People's Republic of China on Chinese-Foreign Contractual Joint Ventures (2017 Second Revision PKULAW Version); 5. Law of the People's Republic of China on Wholly Foreign-Owned Enterprises (2016Amendmernt);_ 6. Detailed Rules for the Implementation of the Law of the People's Republic of China on Wholly Foreign-owned Enterprises (2014 Revision)

Unit 4	Topics
	Chinese Company Law :
Session 13-18	5. introduction of Chinese company law 5.1. limited liability company 5.2. limited liability company by shares Leading Quietly Questions & Answers

	Wrap up Open Book Exam (15:30-18:00)
Case Study & Group Work	Case: (1) Dispute over Equity Transfer, 2015.10.26, http://www.pkulaw.cn/case/pfnl ; (2) Liability of shareholder to the company's creditors , CLI.C.9816812, http://www.pkulaw.cn/case/pfnl ; (3) The effectiveness of loan contract without the decision of shareholder meeting or board meeting, 2012.06.19, http://www.pkulaw.cn/case/pfnl ;
Suggested Readings	Company Law of the People's Republic of China

4. Teaching Methods

Lectures, Discussions, Role Plays, Case Analysis, etc.

5. Learning Outcomes

Category	Learning Outcomes
Knowledge Learned	1. To understand the basic business laws and regulations of PRC. 2. To learn the difference between the Chinese business law and the homeland of students.
Intellectual abilities Improved	1. Get to know to do business according to the China law 2. To know the legal risks while doing business in China
Practical skills improved	To develop the ability to reduce or avoid legal risks
Personal competences and characters Cultivated	To develop critical and legal thinking

6. Performance Evaluation: Means & Ratio

Evaluation Means	Ratio (%)	Link with learning outcomes expected
Class Participation	25	All Category
Group Work	25	All Category
Final Assignment	50	All Category

Requirements of Individual Final Assignment

1. Please write down your choice of company form doing business in China;
2. You should explain the reasons for your choice according to the related law and by comparing with other company form within China or with your homeland;
3. You should also sketch out the purpose and governing body of the future company;
4. *No longer than 4 pages long, 10 point font, double spaced.*

Policy on attendance and participation:

Since most class meetings will include the discussion, students are expected to attend and participate in all classes (if you miss some session, you will get points off according to your handbook); and the first morning (session) is compulsory, it means you will get an E automatically if you miss the first morning session (This is the additional rule, only for this course). And you have to submit your pre-work before the class.

Feedback:

Any feedback, whether verbally or electronically, on anything that concerns you is always appreciated.

Preparation:

Students are requested to read all the cases marked with MUST PRIOR to the first classes.

7. Textbook, References and Reading Materials

Textbook

- (1) Yu Danling (于丹翎): Chinese Business Law, Renmin University Press, 2015, ISBN9787300219561;
- (2) Tarrant Mahony: Foreign Investment law in China: Regulation, Practice and Context, Qsinghua University Press, 2015, ISBN 978-7-302-39589-8

Online resources

Related laws and regulations and cases

<http://www.pkulaw.cn/>

8. Cases

- (1) Sino-foreign joint venture business contract disputes, (2015),
<http://www.pkulaw.cn/case/pfnl>;
- (2) Sino-Foreign cooperative business enterprise contract dispute, (2016) ,
<http://www.pkulaw.cn/case/pfnl>;
- (3) arbitration on dispute of joint venture food company contract, CITAC, 2002.04.30,
<http://www.pkulaw.cn/case/atrfc>;
- (4) [Dispute over Equity Transfer](http://www.pkulaw.cn/case/pfnl), 2015.10.26, <http://www.pkulaw.cn/case/pfnl>;
- (5) **Liability of shareholder to the company's creditors**, (CLI. C. 9816812),
<http://www.pkulaw.cn/case/pfnl>;
- (6) the effectiveness of **loan contract without the decision of shareholder meeting or board meeting**, 2012.06.19, <http://www.pkulaw.cn/case/pfnl>;

9. Assignment Requirements

The criteria of assignment evaluation (100 points)

Assessment Criteria Grid	Max. points	Points Attributed
Comprehension of key issues: <ul style="list-style-type: none"> Understanding of concepts treated in class Ability to apply concepts to new context/s Proper use of subject matter vocabulary Addressed fully the assignment requirements 	20%	
Analysis: <ul style="list-style-type: none"> Display of critical thinking relative to subject matter Application of key models and concepts to the analysis Ability to apply concepts/models from other disciplines to the analysis 	20%	
Structure & presentation: <ul style="list-style-type: none"> Well-structured ideas and information Clarity of presentation Professional layout – tables, figures, images, headings, hierarchy of information Use of transitions and interim conclusions 	20%	
Conclusions & recommendations: <ul style="list-style-type: none"> Logical continuation of reasoning/ideas/analysis developed in assignment Concision and relevancy to the analysis Relevance to the analysis 	20%	
References & citation: <ul style="list-style-type: none"> Citations within paper 	10%	

Syllabus

<ul style="list-style-type: none"> • Proper format of citation and no acts of plagiarism (intentional or unintentional) • Reference/Bibliography section • Depth and breadth of sources 		
Other: <ul style="list-style-type: none"> • Elements of assessment at Professor's discretion relative to the discipline • Creativity and originality of ideas/approach/analysis/findings • Demonstrated general attainment of module learning objectives 	10%	
TOTAL	100%	

Appendices:

1. The course PPT
2. Case material
3. Other teaching material (such as reading materials, the articles)
4. Study guide