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**Foreign Invested Enterprises in China:  
Evolution and Revolution of the Legal Framework  
with Chinese-English Terminological Glossary**

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## 前言

如今，中国是仅次于美国的世界第二大外商直接投资接受国。

自二十世纪七十年代末以来，外商投资一直是中国改革的重点之一。当时，邓小平发起的改革开放引发了这个曾经封闭的国家的自由化和市场开放进程。中国尤其重视外国投资，并且多年来外国投资对中国的巨大价值并没有减少：到了二零二零年，尽管全球流行病减缓了全世界的外国直接投资，但中国设法保持了相对稳定的内部局势。中国不仅能够迅速恢复生产，而且还设想了一系列措施来保留旧的投资项目并吸引新的外国投资者。这导致了二零二零年前九个月的投资总额同比增长了百分之五点二。

在上述的背景下，本毕业论文共分为两个部分：第一部分主要论述中国外商投资和外商投资企业的法律规制。外商投资企业是指全部或者部分由外国投资者投资，依照中国法律在中国境内经登记注册设立的企业。根据早期的立法，外商投资企业的出资额中，外国投资者至少必须占百分之二十五。首先，这一部分将阐述一九七零年代末设想的法律框架，该框架是由所谓的《三资企业法》组成的。然后重点介绍二零二零年一月颁布的《外国投资法》所带来的革命性变化。在第一部分所论述的主题的基础上，第二部分将通过一个汉英词汇表来分析与这一领域有关的具体法律术语。

第一部分的第一章将介绍四十年来规范外商投资和外商投资企业的监管框架。这一法律制度自一九七九年至《外商投资法》的颁布实施。进一步具体地说，本章将分析上述的《三资企业法》：在改革开放初期，中国特别注重法律制度的改革，其目的是建立一个更有吸引力的法律框架，为外商投资者创造一个安全的投资环境。朝着这一方向迈出的第一步是《中外合资经营企业法》的颁布。《中外合资经营企业法》于一九七九年七月一日生效，其文本较其他同时代的法律短，仅有十五条。此后不久，全国人民代表大会又颁布了两部法律：一九八六年颁布的《外商独资企业法》和一九八八年颁布的《中外合作经营企业法》。

《三资企业法》为外商投资企业的设立奠定了法律基础，涵盖了外商投资企业在中国的设立、经营和终止。每一部法律都附有一套实施细则和条例，进一步详细规定了对这些企业的法律要求。这些额外的法律文件构成了管理外国投资的法律框架的

大部分。随着全球经济和政治形势的不断变化，这三部法律经过多次修改和完善；最引人注目的修订是在二零零一年进行的，以符合世贸组织的入世要求。

第二章将论述《中华人民共和国外商投资法》，该法于二零二零年一月一日生效。这部法律标志着在华投资的一个革命性关键点：它将以前支离破碎的法律体系合并在一起，旨在为给外国投资者创造一个更安全、更有竞争力的商业环境。该法律经历了一个漫长而奇特的酝酿过程：二零零五年，商务部发布了新立法的初稿供公众征求意见，但不久就被废止了；五年后，商务部又发布了一份新的草案。与此形成鲜明对比的是，二零二零年的版本是在经过了短短三个月的审议后通过的。

二零二零年《外商投资法》的文本相对较短：仅由六章四十二条组成。尽管如此，它还是给外商投资企业带来了一些有影响的变化，比如缩减了审批程序和更严格的报告义务。然而，最重要的变化涉及到从现在起将对外资企业进行监管的法律体系：中国对外商投资将实行准入前国民待遇，即在投资准入阶段给予外国投资者及其投资不低于本国投资者及其投资的待遇。实际地讲，这意味着外商投资企业的组织形式、组织机构及其活动准则将适用《中华人民共和国公司法》、《中华人民共和国合伙企业法》等法律的规定。

第一部分的第三章将进一步详细地阐述这最后一个方面：本文的最后一章将新旧法律框架进行比较，突出三资企业法与相应国内的公司法和合伙企业法的主要区别和共同特征。本章主要分析中国法律制度所监管的主要企业形式：有限责任企业、股份制企业、普通合伙企业和有限合伙企业。按《外商投资法》的规定，合资经营企业、合作经营企业和外商独资企业将在五年内改变其组织结构，以符合新的法律框架。前两类企业为有限责任企业，即股东仅以其出资额为限承担责任。在合伙企业中，合伙人反而对合伙企业的损失负个人责任。

在本论第一部分的基础上，第二部分将包括一个中英文词汇表，旨在全面概述有关外商投资企业的中英文法律术语。词汇表后面将有一个简短的段落，其中将强调一些特定领域的术语是源自日语的外来词。

现代汉语中的日语外来词研究是一个受到广泛关注的研究课题，并且学者们估计，现代汉语的基本词汇有百分之三十可以追溯到日语。就法律术语而论，本论文分析的外来词大多来源于二十世纪初中日两国的文化交流：当时，日本学者开始翻译欧洲的法律和法规。由于一种称为《和文汉读》的技巧，这些翻译很容易被中国读者理解。

这是梁启超发明的一种技巧，可以让不精通日语的中国读者大概理解日语文本的一般含义。一般而言，日语外来词被分为三类：第一类是用汉语发音读的日语单词、第二类是进入现代汉语的日语新词、最后一类包括一系列源于文言文的词语，日本人在翻译西方法律时赋予了这些词新的含义。

## Introduction

Nowadays, China is the world's second largest Foreign Direct Investment (FDI) recipient after the United States. Foreign investment has been one of the focuses of Chinese reforms since the late 1970s, when the economic reform initiated by Deng Xiaoping sparked a liberalization and market opening-up process for the previously enclosed country. The great value that China attributes to inbound investment has not diminished during the years: in 2020, even despite the global pandemic slowing down FDI all over the world, China managed to maintain a relatively stable situation not only by promptly resuming production, but also by envisioning measures to attract new investments and retain previous ones. This resulted in a 5.2% year-on-year rise in the first nine months of the year.

This thesis will be divided into two parts: Part I will focus primarily on the legal framework governing foreign investment and foreign invested enterprises in China by illustrating the historical regime envisioned during the late 70s and the changes brought upon by the promulgation of the new Foreign Investment Law. Part II will consist of a Chinese-English terminological glossary based on the topic presented in the first part.

The first chapter of Part I will present the regulatory regime that governed foreign investment and foreign invested enterprises up to the introduction of the 2020 Foreign Investment Law, namely the so called *sanzi qiye fa* 三资企业法 “The Three Foreign Investment Laws”. During the early stages of the “reform and opening up” period, particular focus was placed upon the reformation of the legal system, which resulted in the construction of a legal framework aimed at creating a secure and appealing environment for investments. The first notable step in this direction was the promulgation of the Sino-foreign Equity Joint Ventures Law (EJV law) in 1979, followed by the Wholly Foreign-Owned Enterprises Law (WFOE Law) in 1986 and the Sino-Foreign Contractual Joint Venture Law (CJV Law) in 1988. These three foreign investment laws laid out the legal basis for the establishment of Foreign Invested Enterprises (FIEs). These laws covered the creation, the operation and the termination of FIEs and each of them was coupled with a set of rules of implementation which laid out in further detail the requirements for these business enterprises and constituted the majority of the legal framework governing this topic. The Three Foreign Investment Laws were amended various times across the years to adapt to the ever-changing global context; the most notable amendments were made after China entered the WTO in 2001.



The second chapter will introduce the new Foreign Investment Law, which came into force on 1 January 2020. This law marks a pivotal point for inbound investment in China, as it merges together the previously fragmented body of regulations with the aim of creating a more secure and more welcoming environment for foreign investors. This law has had a long and peculiar incubation process, as a first draft for a new legislation on the topic was released for public consultation in 2015, only to be discarded shortly after. On sharp contrast, the 2020 version of the regulation was approved after a very short deliberation process. The text of the 2020 FIL is relatively short, as it comprises only 6 chapters and 42 articles but nevertheless introduces some impactful changes for foreign invested enterprises, such as a slimmed down approval process and stricter reporting obligations. The most important change, however, regards the body of laws that will regulate FIEs: foreign investments will receive “national treatment”, meaning that they will be regulated by the domestic Company Law and other relevant laws.

This last aspect will be further expanded in the final chapter, where a comparison between the old regime and the new one will be presented by highlighting the main differences between the Three Foreign Investment Laws and the correspondent domestic laws, the Company Law and the Partnership Enterprise Law.

On the basis of the topic presented in the first part of the thesis, Part II will present a Chinese-English terminological glossary, followed by a brief passage which will highlight the identification of some of the field-specific terms as loanwords originated from Japanese. This assumption is strengthened by the fact that, since the beginning of the twentieth century, European bodies of law reached China through Japanese translations and part of the Chinese legal vocabulary is the direct adoption of these Japanese terms, which became an integral part of modern Chinese vocabulary.

## Part I – Foreign Invested Enterprises in China

# Chapter 1 – Genesis and Evolution of the FIE Framework: the Three Foreign Investment Laws

## 1.1 The dualistic nature of the Chinese legal system

The economic reform initiated by Deng Xiaoping in the late 1970s marked a pivotal point in the evolution of the legal framework governing business enterprises: in those years, China began a market liberalization and opening-up process, with the attraction and harnessing of foreign investment as its core. The result was the promulgation of a series of foreign-investment-related laws starting from the end of the decade, which formally began posing the foundation for a legal framework governing inbound foreign investment and introduced the concept of foreign invested enterprises (*waishang touzi qiye* 外商投资企业) (herein after referred to as FIEs) (Zhang, 2019).

The Chinese legal system requires the foreign investor to provide at least 25% of the business's registered capital in order for a business enterprise to be qualified as an FIE. On this basis, six main different types of FIEs can be identified: Sino-Foreign Equity Joint Ventures (*zhongwai hezi jingying qiye* 中外合资经营企业) (herein after referred to as EJV), Sino-Foreign Contractual Joint Ventures (*zhongwai hezuo jingying qiye* 中外合作经营企业) (CJV), Wholly Foreign Owned Enterprises (*waishang duzi qiye* 外商独资企业) (WFOE), Foreign Invested Joint Stock Limited Corporations (foreign JSC), foreign invested investment corporation and branches of foreign corporation (Yu, 2019).

In this thesis, particular focus will be placed upon EJVs, CJVs and WFOEs, which are considered the three main foreign investment vehicles (Zhang, 2019). The remaining types of FIEs either do not possess notable characteristics differentiating them from the domestic counterpart, represent a minor variation based on the three main FIEs or cannot be considered a separate legal entity (Yu, 2019).

It is important to notice that the abovementioned laws are dedicated solely to the governance of FIEs; the existence of such a set of norms and regulations underlines a peculiar characteristic of Chinese Law, which is its innate dualistic nature (Huang, 2003): certain rules and regulations pertain to foreign business activities, while others apply only to domestic business entities. This dualistic nature also applies to basic matters such as company

incorporation, corporate governance, contracts and tax issues. Huang (2003) argues that in the past there have been three main reasons to maintain this dual system: firstly, the framework governing domestic companies and the state central economy was incompatible with businesses operating internationally; secondly, a separate set of rules governing international businesses could protect the domestic economy against the fluctuation of international economy; lastly, the Chinese government aimed at using foreign capital to preserve socialism by encouraging FDIs while at the same time posing some restrictions on the domestic sectors.

In 2015, however, the Chinese government began working on a new Foreign Investment Law, which will invalidate the existing provisions and unify the framework governing business organizations, with foreign invested enterprises transforming into ordinary business vehicles, just like the local counterparts (Zhang, 2019).

After a long period of incubation, the new Foreign Investment Law came into effect on 1 January 2020.

## 1.2 A hierarchy of laws

Foreign investment in China is governed by a complex framework of laws, regulations and rules (Yu, 2019). First and foremost, the Constitution (*xianfa* 宪法) institutes the foundation of this framework, permitting and mandating foreign investment within China. Article 18, the constitutional protection clause in relation to the matter, states as follows:

“The People’s Republic of China shall permit foreign enterprises, other economic organizations and individuals, to invest in China and to enter into various forms of economic cooperation with Chinese enterprises or other economic organizations in accordance with the provisions of law of the People’s Republic of China. All foreign enterprises, other foreign economic organizations and Chinese-foreign joint ventures in the territory of China shall abide by the law of the People’s Republic of China. Their lawful rights and interests shall be protected by the law of the People’s Republic of China.” (NPC, 1982)

Against this essential background, the National People’s Congress (NPC) promulgated the main laws, while rules and regulations pertaining more detailed topics were issued by the State Council and the relevant departments. More specifically, The Ministry of Commerce (MOFCOM, which was known as MOFTEC before 2003) has been the government department in charge of regulating FDI and issuing laws on the matter since the economic reform. It not

only created a vast body of policies and rules, but also provided counseling on foreign investment projects.

The lower layer is then constituted by the *sanziqiyefa* 三资企业法, the three main national laws promulgated by the NPC that oversee the establishment, the termination and the operation of foreign invested enterprises. These are the Chinese-Foreign Equity Joint Venture Enterprise Law (1979), the Chinese-Foreign Contractual Joint Venture Enterprise Law (1988) and the Wholly Foreign-Owned Enterprise Law (1986) (Zhang, 2019). The domestic Company Law and other national laws may be applicable to FIEs in certain cases and on topics not covered by the EJV Law, the WFOE Law or the CJV Law, such as mergers and acquisitions, securities, fair competition, etc. Regardless, the provisions of the three foreign investment laws will prevail over other laws in case of contradictions or inconsistencies (Yu, 2019).

Last, the third layer encompasses administrative rules and regulations issued by the State Council, namely the Implementation Rules for the EJV, CJV and WFOE Laws and the Catalogue for the Guidance of Foreign Investment Industries. These rules and regulations constitute the majority of the legal framework governing FIEs.

### **1.3 Chinese-Foreign Equity Joint Venture Enterprise Law**

Equity Joint Ventures were the first step in the realization of China's plan to stimulate foreign investment (Potter, 1993). The brief Sino-foreign Equity Joint Ventures Enterprise Law (*zhonghua renmin gongheguo zhongwai hezi jingying qiye fa* 中华人民共和国中外合资经营企业法) (herein after referred to as EJV Law) was promulgated on July 1, 1979; it only consisted of 15 articles and at the time was defined as vague and incomplete (Huang, 2003). At the end of the 1970s, foreign investors were missing the support of a proper legal framework governing investments in a business environment which was as unwelcoming as it was unpredictable; in addition, the capitalistic notions mentioned in the EJV Law were not supported by domestic law, which was still in the early stages of its evolution.

The void was filled with the promulgation of the Regulations for the Implementation of the Law on Sino-foreign Equity Joint Ventures (*zhonghua renmin gongheguo zhongwai hezi jingying qiye fa shishi tiaoli* 中华人民共和国中外合资经营企业法实施条例) (EJV Regulations) on September 20, 1983, which shed some light on some of the topics left unclear from the original legislation.

The EJV Regulations are divided into sixteen chapters: general principles (*zongzi* 总则), establishment and registration (*sheli yu dengji* 设立与登记), organizational form and registered capital (*zuzhi fangshi yu zhuce ziben* 组织形式与注册资本), modes of investment (*chuzi fangshi* 出资方式), board of directors and management organization (*dongshihui yu jinggying guanli jigou* 董事会与经营管理机构), introduction of technology (*yingjin jishu* 引进技术), usage right and cost of site (*changji shiyongquan ji feiyong* 场地使用权及其费用), buying and selling (*goumai yu xiaoshou* 购买与销售), taxation (*shuiwu* 税务), foreign exchange management (*waihui guanli* 外汇管理), financial affairs and accounting (*caiwu yu kuaiji* 财务与会计), employees (*zhigong* 职工), labor union (*gonghui* 工会), duration, dissolution and liquidation (*qixian, jiesan yu qingsuan* 期限、解散与清算), dispute resolution (*zhengyi de jieju* 争议的解决) and a final chapter consisting of supplementary articles.

This classification covers all the stages of the life of an EJV and can be instrumental in providing a comprehensive outline of this foreign investment vehicle.

### 1.3.1 General provisions

The introductory articles of both the EJV Law and the EJV Regulations outline the definition of an EJV and its recognition by the Chinese government. Article 1 of the EJV Law authorizes the foreign party to incorporate themselves into joint ventures with a Chinese enterprise. This means that the foreign investor will not be pouring capital in a pre-existing company, but that a new business entity will be created for the specific purpose (Rich, 1981).

The first five articles of the EJV Regulations further expand this definition, first and foremost by stating that EJV is granted the status of legal person (*fa ren* 法人). The Civil Code provides a specific definition specifying the requirements for an FIE to be considered a legal person under Chinese Law: the enterprise should be established according to Chinese law provisions, must possess the necessary assets, must have its own name, site and organizational structure and have the capability of assuming civil liability (Powell, 1987).

For a firm, the obtainment of this status and the derived ability to autonomously enter into contractual arrangements with other firms is a synonym for independence. Particularly notable is the fact that EJVs (and FIEs in general), were recognized as separate from their

shareholders as early as the promulgation of the first law governing this kind of businesses, while domestic state-owned enterprises obtained the same status only in 1988 (Huang, 2003).

Pursuant to Article 3 of the Regulations, joint ventures are expected to promote China's economic development; foreign investment are closely associated with industrial politics and incentives are foreseen for enterprises operating in sectors that promote China's growth and scientific and technologic innovation, such as heavy industry, tourism, energy, environmental protection and agriculture (Timoteo, 1998). Two documents were issued to clearly define those sectors of the economy where the creation of joint ventures is encouraged or prohibited: the Regulations on Foreign Investment Guidelines and the Guideline Catalogue of Foreign Investment Industries.

The result was the division of joint venture projects into four categories: encouraged (*guli* 鼓励), that encompasses enterprises operating in the agricultural, environmental and infrastructural sectors or those businesses employing advanced technology; limited (*xianzhi* 限制), including sectors with a significant presence of Chinese companies, such as the financial, insurance, service provision and energy sectors; forbidden (*jinzhi* 禁制), that counts defense industry, communications and activities that might potentially harm national security and public health, such as gambling; permitted (*yunxu* 允许), that includes all sectors not mentioned in the three previous ones.

Furthermore, the geographical location where the foreign investor plans to establish the new venture also plans an important role in the matter of incentives: EJV founded in special economic zones (*jingjitequ* 经济特区), the so called "open cities" (*kaifang chengshi* 开放城市), economic and technological development zones (*jingji jishu fazhanqu* 经济技术开发区) and costal economic development zones (*yanhai jingji kaifa qu* 沿海经济开发区) enjoy special treatment (Timoteo, 1998).

### **1.3.2 Establishment and registration**

In the original law, only one brief article is dedicated to the complex approval process required for the establishment of a new venture, while the EJV Regulations dedicate as much as ten articles to properly illustrate the procedure.

In order to implement the law, three new bureaucratic institutions were created (Rich, 1981): the China International Trust and Investment Corporation (CITIC), the Foreign Investment Commission (FIC) and the State Administration for Industry and Commerce (SAIC, formerly General Administration for Industry and Commerce); these three bureaucracies were respectively in charge of introducing and applying foreign investment while at the same time coordinating the initial contacts between the two parties, screening and approving joint ventures agreement and registering joint ventures (Yu, 2019).

The approval process begins once the foreign venturer has contacted a Chinese partner (directly or through the CITIC), when the latter presents a project proposal (*xiangmu jianyi shu* 项目建议书) to obtain the authorization (*lixiang* 立项) to begin negotiations. This first step normally involves local authorities.

In order to determine the competent authorities that will grant the final approval, the total amount of the investment is taken into consideration: if the value of the investment is over 100 million dollars, the request will be processed directly by the State Council, after consultation with the relevant institutional bodies. If the value is below that threshold, the matter falls under the responsibility of the Ministry of Commerce and the approval of the State Council is required only in some cases. If the amount of investment is significantly lower (between 10 and 30 million dollars), the approval will be left to local authorities. The process dealing with investments with a highly specific nature might involve other organs; for example, finance or banking related joint venture projects also require approval from the Bank of China (Timoteo, 1998).

The law specifically requests five categories of documents to be submitted to the approval authorities after negotiation between the parties has taken place: the application for the establishment of an EJV; a feasibility study report (*kexin yanjiu baogao* 可行性研究报告); the contract (*hetong* 合同), the joint venture agreement and the articles of association (*zhangcheng* 章程), the list of members of the board of directors and any other case-specific documents. These papers should be written in Chinese, but the parties can agree to draft them using a second language and both versions shall be equally valid. The content of these documents is of the utmost importance for both parties, as all data and information contained in them lay the foundation for all the bureaucratic process of establishment of the venture; albeit these documents are not binding, once their content has been approved by the authorities, little to none modification is allowed (Timoteo, 1998).



Article 10 of the EJV Regulations provides important definitions:

The "joint venture agreement" mentioned in these Regulations refers to a document agreed upon by the parties to the joint venture on some main points and principles governing the establishment of a joint venture; "joint venture contract" refers to a document agreed upon and concluded by the parties to the joint venture on their rights and obligations; "articles of association" refers to a document agreed upon by the parties to the joint venture defining the purposes, organizational principles and method of management of a joint venture in compliance with the principles of the joint venture contract. If the joint venture agreement conflicts with the contract, the contract shall prevail. If the parties to the joint venture agree to sign only a contract and articles of association, the agreement may be omitted (State Council, 1983).

The purpose of the letter of intent (*yixiangshu* 意向书), which is non-binding in nature, is documenting the progress of the negotiation, and contains a series of technical and economic data (such as purpose of the venture, estimated investments, nature and proportion of capital contribution, sales market), on the basis of which the Chinese party will draft the preliminary feasibility study (*chubu kexing yanjiu baogao* 初步可行性研究报告).

After the submission of these preliminary documents to the examination and approval authorities, the bureaucracy requests either the foreign party or the competent Chinese ministry to conduct a feasibility study before approving the following step of negotiations (Rich, 1981).

The definitive feasibility study will formalize the content of the previous documents, taking into consideration all economic, financial, managerial, logistic and environmental factors. More specifically, the feasibility study should contain the following items: a general outline of the project; details regarding investments, such as registered capital, shares division, amount and nature of the party's contribution; a description of the technology that will be imported; a possible request for funding; indication of the production program and the target market; a market research; data regarding the needs for raw material and components; description of the land, factories and lines of communication existing in the area surrounding the venture; a waste disposal plan; data regarding employment and management of human resources; data regarding the availability of utilities in the area (Timoteo, 1998).

Upon the approval of the final feasibility study, the parties can formally begin the negotiation of the contract. Although most of the content of the contract has already been defined by the feasibility study, some crucial topics such as the scope of business have yet to be addressed. When the parties have reached an agreement, the contract, together with the statute of the EJV, the feasibility study, and the list of the members of the board of directors,

shall be sent to the relevant authorities which will grant authorization within three months or request modifications. If the approval authority endorses all finalized documents, the joint venture will be subsequently registered at SAIC, which will also issue a business license (*qiye xukezheng* 企业许可证) that allows the enterprise to formally start its business (Rich, 1981). Since these authorities oversee all the stages of the approval process, they can exert particular influence over the final form of the EJV and the content of the agreement.

It is also important to mention that generally, both the joint venture contract and the articles of association are drafted on the basis of standardized models issued by the Ministry of Commerce, which are summarized in Articles 11 and 13 of the EJV Regulations. With regards to the joint venture contract, the law prescribes as follows:

The joint venture contract shall include the following main items:

- (1) the names, the countries of registration, the legal addresses of parties to the joint venture, and the names, professions and nationalities of the legal representatives thereof
- (2) name of the joint venture, its legal address, purpose and the scope and scale of business
- (3) total amount of investment and registered capital of the joint venture, investment contributed by the parties to the joint venture, each party's investment proportion, forms of investment, the time limit for contributing investment, stipulations concerning incomplete contributions, and assignment of investment
- (4) the ratio of profit distribution and losses to be borne by each party
- (5) the composition of the board of directors, the distribution of the number of directors, and the responsibilities, powers and means of employment of the general manager, deputy general manager and other senior management personnel
- (6) the main production equipment and technology to be adopted and their source of supply
- (7) the ways and means of purchasing raw materials and selling finished products
- (8) principles governing the handling of finance, accounting and auditing
- (9) stipulations concerning labor management, wages, welfare and labor insurance
- (10) the duration of the joint venture, its dissolution and the procedure for liquidation
- (11) the liabilities for breach of contract
- (12) ways and procedures for settling disputes between the parties to the joint venture
- (13) the language used for the contract and the conditions for putting the contract into effect

The annex to the contract of a joint venture shall have equal validity with the contract itself (State Council, 1983).

Similarly, the articles of association should contain the following items, as stated in the dispositions of Article 13 of the EJV Regulations:

- (1) the name of the joint venture and its legal address
- (2) the purpose, business scope and duration of the joint venture
- (3) the names, the countries of registration and the legal addresses of parties to the joint venture, and the names, professions and nationalities of the legal representatives thereof
- (4) total amount of investment and registered capital of the joint venture, investment contributed by the parties to the joint venture, each party's investment proportion, stipulations concerning the assignment of investment, the ratio of profit distribution and losses to be borne by parties to the joint venture
- (5) the composition of the board of directors, its responsibilities, powers and rules of procedure, the term of office of the directors, and the responsibilities of its chairperson and vice chairperson
- (6) the setting up of management organizations, rules for handling routine affairs, the responsibilities of the general manager, deputy general manager and other senior management personnel, and the method of their appointment and dismissal
- (7) principles governing finance, accounting and auditing
- (8) dissolution and liquidation
- (9) procedures for amendment of the articles of association (State Council, 1983)

The model itself is quite brief and leaves out some important topics. This characteristic mirrors the Chinese people's cultural view on contracts: as opposed to the Western attitude, the Chinese see a contract not as the definitive formalization of a business relationship, but rather as the foundation upon which a flexible relationship can be built (Timoteo, 1998). This peculiar characteristic of the Chinese contractual system is also reflected on the principle of equality and mutual benefit, which allows the party to suspend the contract in case of clear inequality and is also specifically mentioned in Article 5 of the EJV Regulations as one of the criteria which could prevent the authorization of the joint venture project.

### **1.3.3 Organizational form and registered capital**

The law states clearly that an EJV shall take the form of a limited liability company (LLC), which means the parties will assume the liabilities of the venture in proportion of the share of their capital contribution; in order to be recognized as a FIE by the Chinese law, at least 25% of a company's registered capital needs to be provided by the foreign party (Yu, 2019). This means that foreign majority ownership is permitted by law, and this legal loophole permitted under special circumstances the establishment of wholly foreign-owned enterprises years before the WFOE Law was enacted (Rich, 1981).

Definitions for both terms “registered capital” (the total sum of the contribution of the parties) and “total investment” (the registered capital plus all short- and long-term funding requested by the EJV) are provided, and the ratio between the two quotas is determined by law on the basis of the amount of the total investment (Timoteo, 1998). The registered capital can be reduced during the contract period only under exceptional circumstances and via approval by the examination authorities. It can, however, be increased or transferred after receiving the agreement by the board of directors and the relevant authorities. The shares may also be transferred to a third party, but pursuant to Article 20 of the EJV Regulations, the founding venturers enjoy a priority purchase right. If a third party buys the shares, the conditions shall be equal to those given the original parties.

#### **1.3.4 Modes of investment**

While the modes of investment permitted are just briefly addressed to in Article 5 of the EJV Law, the Regulations dedicate as many as three chapters to going through the details of the different contributions the parties can make.

The law allows the parties’ capital contribution to be either in cash or in kind (such as equipment, machinery, factories, buildings and industrial property, but also know-how, IP rights, proprietary technology and right to use a site); in the second case, the value of the contribution shall be properly assessed, either jointly by the venturers or by a third party selected by them. The sole exception is represented by land contributions, whose value, according to the law, will be determined by the Chinese party (Rich, 1981).

Further details are laid out regarding some specific types of contribution: materials and equipment and proprietary technology. With regards to the first, it is specified that only the machinery necessary for production will be eligible as a form of contribution, and that its value shall be assessed according to current market price for similar items. In the second case, industrial property or technology should be subjected to at least one of the following conditions: be able to notably reduce production costs or to increase the performance of the product. In both cases, foreign parties who choose this kind of contribution shall attach to the contract all relevant documentation, such as patents, trademarks and related certificates.

According to a research conducted by Rich (1981), records of the early EJVs show that technology was a constant in the foreign party’s contribution, while the domestic party would

contribute with raw materials, land and buildings. It comes with no surprise that the Regulations promulgated four years after the EJV Law dedicate two entire sections to technology transfer and use of site.

Chinese government places great value upon the technological contribution of the foreign investors, to the extent that the law not only specifies that the contribution should be “truly advanced” but also introduces a clause envisioning penalties in case of fraud, meaning in this case the provision of outdated equipment. This aspect is peculiar as this kind of provisions is normally covered in criminal law. On the other hand, the law also envisions rewards in the form of tax reductions for the transfer of modern, up-to-date technology. In addition, the EJV Regulations provide a list of conditions that need to be met in case of technology transfer, especially regarding the term of the transfer agreement: it should generally be no longer than ten years, and once the expiration date is reached, the receiving party shall continue enjoying the right of use of the technology. However, some limits are posted to contribution in form of technology transfer by the foreign partner: it cannot exceed 20% of the registered capital and 50% of the foreign partner’s share (Timoteo, 1998).

Chapter seven of the EJV Regulations is instead dedicated to the right of use of the site and its fees, the most commonly used method of contribution by the Chinese party.

If the Chinese venturer already enjoys the right to use the site selected for the operation of the EJV, once its value has been assessed, it can simply be considered as part of the investment. If not, the parties can file an application with the relevant authorities, which will also determine the fee to be paid for the right of land use. This will remain unchanged for the first five years after the joint venture starts operations and might be adjusted every three years according to varying environmental conditions. The site use fee will not be subjected to any change if the site is part of the capital contribution of the Chinese party.

Moreover, the local government can grant reduction of the fee if the joint venture involves in developmental projects in underdeveloped areas of the country.

To conclude, pursuant to Article 29 of the EJV Regulations, once the investments have been paid up in full according to the timing and methods specified by the contract, a Chinese auditing firm will be tasked to provide a certificate of verification, upon which the joint venture will draft an investment certificate laying out all the relevant details of the investments provided by the parties.

### **1.3.5 Board of directors and management organization**

The composition of the board of directors and the organization of management are one of the most critical points of negotiation. In Anglo-American corporate law, authority of a joint venture is divided between directors and shareholders (Rich, 1981), however, the EJV Law does not present such division: Article 6 only provides that the venture shall have a board of directors in charge of deliberating on the fundamental issues concerning the enterprise and whose composition shall be determined by the contract (Shenktar, 1990). It is important to notice that at the time of the promulgation of the EJV Law, domestic corporate law was not yet effective, so the text of the law on joint ventures represented the only statutory guidance at the time.

The 1979 version of the law stated that the appointment of the chairman was a task that specifically fell upon the Chinese party. This clause was modified in 1990, when an important amendment was introduced allowing the foreign partner to appoint the director (Timoteo, 1998). Pursuant to the EJV Regulations, the board of directors should be composed of at least three members who will stay in office for four years. Upon agreement by the parties, the term of office may be renewed.

In addition, the board shall meet at least once a year with a quorum of over two thirds and shall act unanimously on topics such as modifications to the company's statute, suspension or termination of the EJV, increase or cession of shares, mergers and acquisitions. With the exception of these topics, much freedom is left to the parties in deciding roles and responsibilities within the board of directors, within the limits defined in the contract or in the statute.

The Regulations also introduce a subdivision between shareholders and business management: day to day business operations will be carried on by a general manager, who will represent the EJV externally and have the power to appoint subordinates. This position can be assigned to both foreign and Chinese citizens and members of the board can also fill this role.

### **1.3.6 Buying and selling**

The topics of the purchasing of materials and marketing of the product are both briefly covered in Article 10 of the EJV Law. Both the EJV Law and the EJV Regulations have been amended

in order to grant the parties a certain amount of flexibility, solving some of the concerns that Rich (1981) identified when interviewing some potential foreign investors soon after the promulgation of the EJV Law. While the strong encouragement to market the product outside China remained unchanged, the limit to buy all resources from China was removed, leaving the joint venture the autonomy to decide from where to source all the material needed for production. The Regulations further provide that for all materials that need to be imported, the parties should submit every year a separate application in order to receive an import license in compliance with state regulations. This clause excludes all machinery, raw materials and equipment that served as capital contribution.

The law also guarantees the venturers that their enterprise will receive the same treatment as domestic companies when signing contracts dealing with raw materials and services such as water, electricity, transportation of goods and advertisement.

With regards to the exporting of the product, which the law strongly encourages, the joint venture is allowed to export its products by itself or to conduct its sales through a third party, which can be both foreign or Chinese; in the first case, the venture shall apply for an export license every six months based on the redaction of an annual export plan.

### **1.3.7 Taxation, foreign exchange, finance and accounting**

The taxation regime, foreign exchange regulations and finance and accounting system of an EJV are all subjected to the relevant domestic laws that cover the topics.

With regards to the first, Chinese law provides that the joint venture's gross profit and the employees' salary shall be taxed according to the relevant laws of the People's Republic of China.

Most of the provisions regarding taxation in both the EJV Law and the EJV Regulations, however, do not cover details about the tax regime in itself, but rather list the cases in which the joint venture may enjoy reduced taxation or even obtain a tax-exempt status. More specifically, a facilitated tax regime is envisioned when equipment, machinery and other materials necessary for production are part of the foreign party's capital contribution, are acquired through the initial investment or consist of items that are not produced or supplied within China. This clause is only valid if the abovementioned equipment and machinery are used to manufacture products destined to be sold on foreign markets.

The encouragement to market the joint venture's product outside China is further remarked in this chapter and this was instrumental in the creation of foreign currency reserves, the management of which is regulated according to the provisions on foreign exchange control contained in Chapter 10 of the EJV Regulations.

Once the EJV has obtained its business license, it can open both a renminbi account and a foreign currency account in any Chinese bank or in an overseas bank upon receiving the approval of the relevant authorities. The enterprise also enjoys the right to open a branch or a division in other countries, with the condition that the subsidiary submits annual asset and liabilities statement and profit reports.

The issue of finance and accounting management is regulated in accordance with the provisions of the Regulations, that start by requiring the joint venture to employ a chief accountant and appoint an auditor. Accounting of an EJV is to be carried on according to international norms, such as the accrual basis and the debit and credit accounting system. The Chinese language and currency are required to be the standard for all documents and reports, but the use of foreign languages and currencies is not excluded: while the parties can just mutually agree to draft equally valid documents in another language of their choosing, all other currencies can be used but need to be converted into renminbi in the financial reporting and all fluctuations caused by movements of the exchange rate will be factored in as profit or losses. Moreover, pursuant to Article 78 of the EJV Regulations, a joint venture is requested to submit quarterly and annual financial reports to the shareholders, the financial department and the local tax authority; these documents will be considered valid only after being examined and certificated by a Chinese accountant.

These three aspects – taxation, foreign exchange regulations and accounting system – are closely related to the venturers' right to profit, which is granted at the beginning of the EJV Law. The distribution of profit, however, is subjected to certain conditions: income taxation on gross profit should be regularly paid; losses of previous years need to be covered; all required funds have to be detracted from the gross profit, including a reserve fund, a bonus fund, a welfare fund for employees and a development fund. Once these conditions are met, the board of directors can decide to distribute the remaining profit according to the proportion of shares owned by each party. Article 10 of the EJV Law allows the remittal of the foreign investor's profit abroad through the Bank of China, and it also states that doing so will grant encouragements in the form of tax reductions to the foreign party (Rich, 1981).



### **1.3.8 Employees and labor unions**

The rights and interests of both foreign and Chinese employees of a joint venture are thoroughly protected by the law: pursuant to the EJV Regulations, the management of human resources, from their recruitment, to their resignation and their salary, insurance, welfare benefits and labor protection will all be handled according to the relevant Chinese laws.

It is interesting to notice that the Regulations dedicate a clause to ensure that upon employment in the joint venture, staff and workers undergo a training process aimed obtaining all the skills necessary in a “modernized enterprise”; the same article also calls for an examination system to be built in order to ensure the successful outcome of the training process.

Moreover, staff and workers of the joint venture have the right to establish a trade union and carry on the related activities within the limits imposed by domestic laws. It is a task of the joint venture to create a fund specifically dedicated to the trade union, amounting at two percent of the total sum of the workers’ salaries.

Trade unions represent the workers and their lawful interests, and their tasks include the protection of the workers’ rights, supporting in the management of employees-related funds, organizing extra-curricular activities and educating the staff to observe job-related discipline. Moreover, representatives of a trade union have the right to take part to the meetings of the board of directors as non-voting members and discuss both human-resources-related matters and developmental and operational issues more closely related to the joint venture itself (Shenktar, 1990).

In addition to the abovementioned clauses, the supplementary chapter that concludes the EJV Regulations also contains some provisions related to human resources. More specifically, these articles provide that foreign workers will enjoy simplified procedures in the visa applying process and will be able to enter and exit the country in accordance with the related provisions of the State.

### **1.3.9 Dispute resolution**

In dealing with the issue of dispute resolution, the EJV Law and the EJV Regulations grant the parties a certain degree of flexibility. The disposition provides as follows:

Any dispute arising between equity joint venture partners that the board of directors is unable to settle through consultation may be resolved through conciliation or arbitration by a Chinese arbitral body or through arbitration conducted by an arbitral body agreed on by all parties of an equity joint venture.

If the parties of an equity joint venture have not stipulated an arbitration clause in their contract or do not reach a written arbitration agreement after a dispute has arisen, they may file a lawsuit in a people's court (State Council, 1983).

It appears evident that these clauses envision a hierarchy in the form of conflict resolution: amicable negotiation (*youhao xieshang* 友好协商) and conciliation (*tiaojie* 调解) should be preferred to arbitration (*zhongcai* 仲裁) and litigation (*susong* 诉讼). This tendency is yet another example of the Chinese relationship-based view of a contract and traditionally, Chinese people have always preferred resorting to non-judicial means to settle disputes (Salem, 1981). Regardless, the parties are allowed to solve the dispute also through more formal means: if the parties fail to reach a written arbitration agreement, they can also file a suit with a Chinese court. However, institutional arbitrage has become more and more prominent and even in one of the earliest contract models drafted by the Ministry of Commerce the China International Economic and Trade Commission (CIETAC) was identified as the body in charge of overseeing the arbitration process (Timoteo, 1998).

### **1.3.10 Duration, dissolution and liquidation**

Chinese-foreign EJVs are finite in nature and their duration is determined by law. According to the different sectors in which the venture is operating, limits imposed to the contract period may vary, and in any case the parties can mutually agree to apply for an extension of such period by filing a request to the approval authorities six months before the initial expiration date.

Some of the early joint venture contracts contained clauses providing that at the end of the ten-year term the Chinese party would obtain the sole ownership of the venture; the contract terms have however become increasingly longer, with periods lasting 15, 30 or even 50 years before the end of the EJV's lifespan (Beamish, 1993).

The EJV Regulations clearly indicate six cases in which the joint venture can be dissolved: the natural expiry of the contract, inability to continue operation due to heavy losses, force majeure or failure by either of the parties to perform their obligations, inability to reach

previously set goals that hinder future development of the enterprise and any other reason prescribed by the articles of association or the contract. The procedure for dissolution of a joint venture must be unanimously approved by both the board of directors and the competent authorities (Timoteo, 1998).

The process of dissolution is closely linked to the liquidation procedures: pursuant to the EJV Regulations, the joint venture that announced its dissolution must appoint a liquidation committee composed of members of the board of directors or lawyers and accountants registered in China. This group is tasked with conducting an overall assessment of the joint venture in order to formulate a liquidation plan; more precisely, the committee should check the joint venture's property, assess the enterprise's and the creditor's assets and liabilities and formulate the basis upon which the value of property will be evaluated. The liquidation committee will also represent the venture in case of litigation.

During this process, the joint venture will be liable to its debts with all the assets owned. Once all debts and liquidation-related expenses have been paid up, the remaining property may be proportionally distributed among the parties. When the liquidation report submitted by the committee has been approved by the competent authorities, the registration of the company has been cancelled and the business license has been handed back in, the dissolution will be deemed complete.

#### **1.4 Wholly Foreign-Owned Enterprise Law**

The two main documents governing wholly foreign-owned enterprises, namely the Law of the People's Republic of China on Wholly Foreign-Owned Enterprises (*zhonghua renmin gongheguo waizi jingying qiye fa* 中华人民共和国外资企业法) (herein after referred to as WFOE Law) and the Detailed Rules for the Implementation of the Law of the People's Republic of China on Wholly Foreign-Owned Enterprises (*zhonghua renmin gongheguo waizi jingying qiye fa shishi xize* 中华人民共和国外资企业法实施细则) (WFOE Rules) were promulgated respectively on April 12, 1986 and October 18, 1990.

The WFOE Law formally introduced the normative framework permitting the establishment of wholly foreign-owned enterprises, but, the existence of this form of FIE was present in China even before the actual promulgation of the law, as it was initially permitted as

an experimental form of business enterprise located in the southern Special Economic Zones (SEZ) (Potter, 1993).

This was possible mainly thanks to the fact that the provisions of the EJV Law, albeit requiring a minimum threshold for the capital contribution of the foreign partner, make no mention of a maximum quota allowed, meaning that implicitly a foreign investor could apply for the establishment of a fully controlled enterprise (Powell, 1987). The possibility of exploiting this loophole is further corroborated by the fact that WFOEs were established in the Shenzhen Special Economic Zone as early as 1983, three years before the WFOE Law was enacted. These enterprises, albeit being subjected to the special regulatory framework of the SEZ and being mainly supported by short-term investments, were in all respects full-fledged WFOEs.

Powell (1987) identified two possible factors influencing the Chinese government's decision to formalize foreign investments in this form: the initial slow-paced development of EJVs and the confidence that WFOEs, which can be seen as a natural development of EJVs, could contribute faster and more successfully to the preset national development objectives.

WFOEs are a form of enterprise that is run and owned only by a foreign investor, which is the sole contributor to the registered capital of the company, will manage day-to-day business operation without the assistance of a local partner and will be the only one entitled to the profits derived from the operations. Under the provisions of the WFOE Law and the WFOE Rules, a foreign investor is allowed to establish an enterprise in China using exclusively his own capital and the new enterprise will be recognized as a Chinese legal person (Zhang, 1986). Despite enjoying this status and thus being subjected to Chinese law, this investment vehicle is much less advantageous to China compared to EJVs: there is no transfer of technology from which a Chinese company could benefit in the future, nor the transfer of know-how and management skills that Chinese workers of an EJV would obtain through training. Due to this limited involvement from any Chinese party, the establishment of WFOEs was initially limited to those operations that could directly bring benefits to the economy of the country. In addition, WFOEs are prohibited to engage in business operations in certain restricted areas of the economy (Yu, 2019).

The choice between EJV and WFOE is heavily reliant on organizational factors rather than legislative ones: from the normative point of view, very few differences can be identified between the two FIEs. On the other hand, from the managerial and organizational perspective, WFOEs offer some particularly alluring characteristics, as well as certain weaknesses.

First, this form of FIE may be particularly appealing to those multinational companies that have already developed a specific strategy that has proven successful in other foreign markets: since control of the enterprise is not shared with local partners, the foreign investor can enjoy the maximum degree of operational independence and retains complete decisional autonomy. This independence grants the WFOE a higher flexibility and more efficient adaptability, thus being able to quickly adapt to the ever-changing market conditions as well as promptly adjust the course for future development. The lack of a partner also translates in a minor involvement from the Chinese government: under common circumstances, the Chinese partner is constituted by a SOE, meaning it will sustain a certain degree of scrutiny from the central government. In addition, the statute of a WFOE does not include any requirements for information disclosure or the transfer of know-how and proprietary technology to an external entity, allowing the investor to have unconstrained access to all corporate resources, know-how and technology (Lo & Tian, 2011).

A study conducted by Bontempi and Prodi (2009) shows that limited disclosure requirements may be one of the most appealing characteristics of WFOEs, as this FIE is the preferred choice in cases where the establishment of the new company in Chinese soil involved special production processes or particularly innovative products, that required a higher degree of protection.

In addition, the foreign investor will be entitled to the entirety of profits derived from the enterprise (Zhang, 1986).

The main disadvantage related to WFOEs is the absence of a pre-existing site for operation: identifying the site and obtaining the relevant permissions are easily the most convoluted parts in the establishment of WFOEs, as the foreign investor is personally in charge of building the infrastructure needed for its operations, establish a distribution network and procure resources and equipment needed for production. On the contrary, foreign partners of an EJV can easily overcome this obstacle since site use rights are often used as a means of capital contribution by the Chinese partner (Powell, 1986).

As mentioned above, in general terms a WFOE is subjected to the same rules as an EJV: the framework governing establishment, contributions, taxation and financial requirements, dispute settlement, management of human resources and liquidation procedures is in line with similar provisions governing the older type of enterprise. There are, however, some notable differences pertaining to this specific form of FIE.

The first and most notable peculiarity about this foreign investment vehicle regards the possibility granted by Article 18 of the WFOE Rules to take an organizational form different from an LLC. In these cases, the foreign investor liability towards the company will be determined in accordance to the relevant Chinese laws (Powell, 1987).

Secondly, another specificity of WFOEs regards the obtainment of the right of land use and is a direct consequence of the absence of a Chinese partner. In EJVs, the use of land is one of the most frequent means of capital contribution used by the Chinese party; lacking such opportunity, investors in a WFOE should autonomously research a site suitable for their operations and obtain the land use right for the location. Even before submitting the application for the establishment of a new WFOE, the foreign investor must contact the local government of the selected site and present a report containing some basic information about the new company, such as its scope and scale, equipment and technology needed for operations, the product which will be manufactured and the requirements regarding the use of resources and public services. A written response will be received within 30 days and in case of a positive answer the relevant department will issue a certificate of land use (Lo & Tian, 2011).

Pursuant to the WFOE Rules, the right to use the land will last as long as the WFOE is allowed to continue operations and cannot be transferred without approval by the relevant authorities. If the land selected by the investor has already been developed, he must pay a development fee in addition to the land use fee; if not, the enterprise can itself conduct the operation in accordance to governmental provisions or can entrust a Chinese agency to build the necessary infrastructures.

The remaining steps of the approval process are not different from the ones pertaining EJVs and involve the same authorities and steps (Zhang, 1986).

Another important characteristic specific to WFOEs can be identified in Article 25 of the WFOE Rules: in addition to the capital contribution methods envisioned for other forms of FIEs, the shareholders of a WFOE can remit profits obtained by other FIEs established in China into the registered capital of the new enterprise. The articles of association of a WFOE should also contain details about the time limits for capital contribution, which may also be made by installments subjected to certain restrictions. More specifically, the first payment should be made within three months after the business license has been issued and must amount to at least 15% of the total capital, while the last must be paid within three years after the WFOE has started its operations (Lo & Tian, 2011).

Last, a small addendum is made at the end of the section dedicated to the liquidation procedures in the WFOE Rules: pursuant to Article 78, when a WFOE applies for dissolution and needs to liquidate its assets, Chinese companies and economic organizations will enjoy a priority purchase right.

## 1.5 Chinese-Foreign Contractual Joint Venture Enterprise Law

Sino-foreign Contractual Joint Ventures were the third and last FIE to be envisioned in the framework governing foreign investment. CJVs are governed by the Law on Sino-Foreign Cooperative Joint Ventures (*zhonghua renmin gongheguo zhongwai hezuo jingying qiye fa* 中华人民共和国中外合作经营企业法) (herein after referred to as CJV Law), promulgated on April 13, 1988 and the Detailed Rules for the Implementation of the Law on Sino-Foreign Cooperative Joint Ventures (*zhonghua renmin gongheguo zhongwai hezuo jingying qiye fa shishi xize* 中华人民共和国中外合作经营企业法实施细则) (CJV Rules) issued on September 4, 1995, as well as other rules and regulations pertaining to all FIEs.

Cooperative Joint Ventures, also known as Contractual Joint Ventures, are FIEs jointly established by a foreign and a Chinese partner. The most immediate difference from EJVs is the choice given to the parties to establish a CJV either as legal person entity (Legal CJVs) or a non-legal person entity (Non-legal CJVs) (Yu, 2019).

This dual nature of CJVs is addressed specifically in the CJV Rules: Chapter IX contains a series of specific provisions related solely to Non-Legal CJVs, addressing in further detail the parties' legal responsibility, registration and accounting requirements and some details regarding investment contributions or cooperative means (*hezuo tiaojian* 合作条件). This term appears only in relation to capital contributions to a CJV, as is defined by Lo and Tian (2011) as follows:

“Cooperative means” refer to real estate and other property rights, such as land use rights, ownership of or right to use installations attached to buildings, and industrial property rights, which are not expressed in terms of currency. In a legal-person cooperative joint venture, cooperative means are owned by the joint venture and will be used to satisfy its debts.

In general terms, however, most of the requirements on organization, management, formation and dissolution, buying and selling, taxation and accounting are the same for both forms of CJVs and are much similar to those pertaining the older forms of FIE: Legal CJVs will take the form of an LLC and the parties will be liable for debts to the extent of their capital contribution; the highest decision-making authority is the board of directors, which may appoint a general manager to run day-to-day operations. In opposition, parties to a Non-Legal CJV will maintain legal independence, operate as separate legal entities and bear their own liabilities (Wang, 2007).

This second form of CJV is not different from a simple contractual arrangement between the foreign and the Chinese partners, and the venture will be mainly governed by the dispositions contained in the contract (Yu, 2019). In addition, Non-Legal CJV are ruled by a joint managerial committee, which is composed of representatives of the parties and pursuant to Article 25 of the CJV Rules shall be composed of at least three members.

Three unique features pertaining only to CJVs can be identified by examining the framework with respect to the establishment, profit and loss sharing and investment recoupment.

First, the establishment process for both Legal and Non-Legal CJV is faster compared to EJV and WFOEs: pursuant to Article 5 of the CJV Law, the approval to a CJV project will be received by the partners within 45 days after the application is filed (Wang, 2007). That is half the time the same step requires for applications pertaining the two other forms of FIEs.

Second, a higher degree of freedom is granted to the parties in regards with profit distribution and risk assumption, as these two variables do not need to be in line with the partner's capital contribution but are rather agreed upon by the parties during contractual negotiations (Lo & Tian, 2011). This stands in clear opposition with the framework governing EJV, where all these factors are proportional to the partners' contribution to the registered capital of the venture. This flexibility allows the parties to favor in-kind means as a form of investment, without being burdened by the necessity to correspondingly transfer significant amounts of financial capital into the venture (Wang, 2007).

Last, parties to a CJV are given the possibility to include a provision in the contract, that stipulates that upon the expiration of the contractual term all fixed assets of the enterprise will be transferred to the Chinese partner. This situation can prove beneficial to the foreign investor as well, as in this case he is given the possibility to an early recoupment of his investment, even during the operational period of the CJV (Lo & Tian, 2011). Pursuant to Article 21 of the CJV Law, the foreign party can recoup his investments in three different ways and only after all previous losses of the CJV have been recovered: an increase of the profit-sharing ratio during



the operational stage of the enterprise, favorable tax treatment or other means agreed upon by the parties and subjected to verification by the competent authorities. The investment recoupment rate can be autonomously decided by the parties (Yu, 2019).

A study conducted by Wang (2007) identified the most alluring characteristics of CJV, that different foreign investors deemed instrumental in the choice of this foreign investment vehicle. In addition to the above-mentioned peculiarities of CJVs, most of the interviewees mentioned the high degree of freedom and contract flexibility derived from this form of investment, that allows the party to seamlessly renegotiate important clauses among each other.

In the past, foreign investors have chosen CJVs for short-term projects, and this form of FIE is not considered ideal for a permanent establishment in the Chinese market (Lo & Tian, 2011).

## **Chapter 2 – Revolution of the FIE Framework: the New Foreign Investment Law**

### **2.1 Winds of change**

The Three Foreign Investment Laws (herein after referred to as FIE Laws) were the pillars of the framework governing foreign investment for almost four decades, creating the necessary legal basis for the attraction of foreign investors and making fundamental contributions to the establishment of China as one of the prominent investment destinations on a global scale (Liao, 2020). The laws and the correlated rules and regulations have been amended various times over the years and the system has been constantly updated and refined in order to adapt to the everchanging global environment. Despite this, however, the inherent limitations of this conservative system have become more and more evident over the course of the years (Ren, 2020).

The most important round of reforms was sparked by China's accession to the World Trade Organization (WTO) in 2001. As part of the accession agreement, the Chinese government revised the FIE Laws, amending a series of particularly restrictive provisions, such as priority domestic procurement, export requirements, technology transfer and foreign exchange control (Alvarado, 2020). The reforms actuated to comply with the WTO also involved the Catalogue, the document classifying the sectors of the economy into different categories: in 2001 many services sectors were finally open to foreign investment, being moved from the prohibited to the restricted section (Li, 2020); in addition, new projects focused on the previously neglected northwestern and central zones of China were encouraged, in order to take full advantage of the natural reserves and low labor cost of those areas (Witkowska, 2019).

Nonetheless, a series of critiques was raised, pointing out that the framework still retained a series of structural flaws that were so deeply embedded into the structure itself that only a complete restructuring could provide a definitive solution. More specifically, these comprehensive issues mainly revolved around three topics: the lengthy and convoluted approval process, the conservative focus on greenfield investments and new projects rather than mergers and acquisition (M&A) and the dual nature of the legal system, which separately administers foreign-funded and domestic enterprises.

The first issue addressed was the overly complex examination and approval procedure (Ye, 2012) and the unclear identification of the relevant authorities in charge of the different phases. This was further complicated by the high decentralization and fragmentation derived from the excessive number of agencies and governmental departments that issued regulatory documents (Qi, 2014; Yao, 2011); even after the 2001 amendments, foreign investors had to pass through the examination of seven regulatory agencies and approval authorities, namely:

[...] the central and local level MOFCOM (for antimonopoly review), the Administration of Industry and Commerce (for name approval and registration), the Land and Resources Department (for approval of land-use rights), central and local environmental protection bureaus (for environmental impact assessment), the provincial planning department (for zoning opinion on planned location), the State-Owned Assets Supervision and Administration Commission (for use of state assets or state-owned land-use rights), Development and Reform Commission (for project approval), Industrial regulators (for business activities licenses such as food and drug production, pesticide manufacturing, mining, etc.), Commerce Departments (for approval of related contracts, articles of association, and formation of FIE). (Li, 2020)

The second symptom of the outdatedness of the FIE framework was the prominent role given to greenfield investments (*lvdi touzi* 绿地投资), opposed to the neglect of M&A (*binggou* 并购).

The concept of greenfield investments refers to all those investment projects that involve the establishment of a new business entity, together with the acquisition and development of land and the creation of all needed infrastructures; it appears evident that the FIE Laws mainly envisioned and regulated this form of investment (Peng & Jian, 2010). When these policies were first enacted, on one hand the country needed to develop the national economy and required capital and technology inflows; on the other, they offered a huge and relatively untouched internal market, low labor cost and favorable policies in aspects such as taxation and land use (Ye, 2012). For these reasons, greenfield investments were the natural meeting point between offer and demand.

Over the course of four decades, the application of these policies has made China one of the most important destination of foreign investment, but at the same time has profoundly changed its internal situation: not only domestic capital and foreign currency reserves have increased exponentially, but scientific and technological research has also made huge steps

forward, improving China's production capacity and evolving the country into the "factory of the world", with 80% of FIE operating in the manufacturing sector in 2005 (Ye, 2012).

At the beginning of the twenty-first century, however, there was a clear decline in the proportion of inbound investment: before 2004, China was the second FDI destination in the world, holding the 8.35% of the global share; however, over the course of just two years, the percentage had decreased by almost three points. It was evident that greenfield investments could no longer sustain the need of foreign capital (Peng & Jian, 2010).

The passage from this form of investment to M&A became a natural and needed step in the development of Chinese economy and the evolution of its openness to the outside world. As foreign entrepreneurs strengthened their grasp on the Chinese legal system and market environment, the need to rely on domestic partner progressively diminished; as a result, the number of EJVs and CJVs decreased in favor of the increase of sole-proprietorship enterprises. Contextually, M&A, a process through which foreign investors obtain ownership and controlling rights of a pre-existing domestic enterprise, became a more and more prominent trend. As the existing laws and regulations were not completely applicable to this form of investment, in 2006 the MOFCOM issued the Interim Provisions on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (*guanyu waiguo touzi zhe bingou jingnei qiye de guiding* 关于外国投资者并购境内企业的规定) (Ye, 2012).

Despite the existence of some form of regulation, M&A still missed the support of a proper legislation and it became evident that a reform of the old regulatory framework was needed, in order to adapt to the evolving international context and offer clearer legal certainties to new prospective investors.

In conclusion, the third major issue related to the old FIE framework was the dual-sided nature of the Chinese legal system: as mentioned in Chapter 1, the Chinese legislation envisioned two different sets of norms governing FIEs and domestic enterprises. This peculiar characteristic was instrumental in the early years of the economic reform, as the preferential treatment it envisioned for foreign investors allowed a fast-paced introduction of foreign capital and technology in the country (Peng & Jian, 2010); on the other hand, however, in the decades since the implementation of the EJV Law, which was promulgated before the domestic corresponding normative, Chinese laws and regulations had been evolving rapidly, particularly the Company Law.

This situation had increased the friction between the two sides of the Chinese legal system, with conflicts between the regulatory regime for FIEs and newly amended domestic rules and regulations becoming more and more frequent (Yang & Huang, 2016).

Moreover, the content and structure of these laws was redundant in some cases, with similar or even identical provisions not only contained in the three FIE Laws, but also overlapping with the domestic counterparts. The subsequent introduction of private enterprises in the Company Law in 2005 (Peng & Jian, 2010), the standardization of tax regimes with the Enterprise Income Tax Law in 2007 (Liao, 2020) and the promulgation of the Anti-Monopoly law the following year (Song, 2019) have *de facto* removed the supra national treatment granted initially to foreign-funded enterprises, thus eliminating the need for a separate set of norms.

The natural solution to this and all the above-mentioned predicaments was the promulgation of a unified framework for foreign investments, that could merge the organizational provisions of the FIE Laws into the symmetrical domestic laws and focus on the specificities of the behavioral supervision of post-investment activities (Peng & Jian, 2010).

## **2.2 The first draft**

In order to solve these issues and reform and modernize the legal framework for foreign investment, the Ministry of Commerce released a draft for a new foreign investment law (herein after referred to as 2015 Draft) made up of 11 chapters and 170 articles (Zhang, 2020). If approved, it would have unified the FIE Laws and the related implementing rules and provisions, adopting a reporting mechanism to substitute the former approval system, facilitating and protecting investment and consequently creating a more accessible and stable investment environment. This would substitute the previous approval requirements with licenses issued by various governmental authorities, which, being stakeholders in relation to the matter, needed to be involved in the consultation stage of the lawmaking process.

The clauses contained in the 2015 Draft proposed to change the focus on many matters regarding the establishment and the operation of FIEs. Under the new provisions, authorities shifted from organizational and operational supervision of businesses before their establishment to post-investment control, which took the form of national security review and stricter reporting criteria. This translated into much swifter establishment and dissolution procedures if the products operated by the FIE were not contained on the Negative List. On the other hand,

this change of focus also brought certain downsides: within the old framework, once an investment projects had obtained the approval, it was not subjected to any particular scrutiny, as long as it operated within the limits envisioned by the law; the new regime would compel the investors to be constantly aware of compliance issues, especially with regards to reporting obligations (Yang & Huang, 2016).

The 2015 Draft was released for public comments on January 19, 2015 (Guo, 2016). Public consultation is one of the five steps of the lawmaking process implemented after Deng Xiaoping's economic reform: in the first stage, bill proposals are posed under scrutiny by the NPC and the State Council, then are given a priority class and eventually they become part of a legislative plan that spans over the course of five years. During the following two stages, the draft is first subjected to the review from involved stakeholders, which may propose corrections and amendments, and is then passed onto officials of the Communist Party, on whom befalls the task to decide if the drafted document can be approved for the NPC deliberation phase. The fourth phase can almost be considered a formality, as at this point the NPC will almost always grant its approval. Last, the law enters the implementation phase, which is normally coupled with the promulgation of implementing rules and regulations issued by central or local ministries or directly by the State Council (Li, 2020).

When the 2015 Draft was published on the dedicated online portal, it received a total of 62 comments, mostly from government representatives and members of the business community, and it mainly collected negative feedbacks. Some of the commenters proposed to modify various provisions contained in the draft, while others argued that the new framework envisioned was not at all an improvement on the previous one. Internal conflicts also arose among the different approval agencies, which, if the new law was to be enacted, would have been removed from the management of foreign investment, losing revenues, influence and positions (Li, 2020).

The most debated issue contained in the 2015 Draft was the regulation of Variable Interest Entities (*kebian quanyi shiti* 可变权益实体) (VIEs), which pursuant to the new provisions were formally considered a form of foreign investment. VIEs are business entities where a shareholder can enjoy controlling and managerial rights without owning the majority of shares. In the specific case of China, the establishment of a VIE allows a foreign investor to gain control over a pre-existing domestic company that operates in one of the restricted sectors, thus being able to operate in those industry even without personally possessing the required licenses (Pisacane, 2018).

Due to these controversial debates and the large number of stakeholders involved, the approval process of the 2015 Draft reached an impasse: the document failed to move on to the following stage of the legislative process and was tabled indefinitely.

Despite the halt, the government kept issuing a series of minor reforms, in order to simplify administrative procedures and improve the business environment: the EJV Law, the CJV Law, the WFOE Law and the Catalogue were revised in 2016. The same year, the National Negative List was promulgated, and in July 2017 the Notice on Several Measures on Promoting Foreign Investment Growth was issued, introducing new measures to enhance market access for foreign investors in the services, infrastructures, mining and manufacturing sectors (Li, 2020).

On September 2018, the NPC issued the legislative plan for the following five years, and the new Foreign Investment Law (2020 FIL) was designated as one of the highest priority laws. Just two months later, the draft of the 2020 FIL was deliberated by the government and moved onto the public consultation stage of the lawmaking process.

By March 2019, after less than 90 days of deliberations, the 2020 FIL was formally passed as law. Li (2020) argues that this swift acceleration was probably due to two concurring events: the recent constitutional amendment that removed the presidential term limit and the ongoing trade war with the US.

### **2.3 The 2020 Foreign Investment Law**

On January 1, 2020, the Foreign Investment Law of the People's Republic of China (*zhonghua renmin gongheguo waishang touzi fa* 中华人民共和国外商投资法) formally came into effect, together with two other explanatory documents, namely the Regulations for the Implementation of the Foreign Investment Law (*zhonghua renmin gongheguo waishang touzi fa shishi tiaoli* 中华人民共和国外商投资法实施条例) (FIL Regulations), issued by the State Council, and the Supreme People's Court's Interpretation on Several Questions Concerning the Application of the Foreign Investment Law of China (*zuigao renmin fayuan guanyu shiyong waishang touzi fa ruogan wenti de jieshi* 最高人民法院关于适用外商投资法若干问题的解释) (FIL Interpretation).

As mentioned before, the main purpose behind the emanation of the new FIL is the creation of a better and more welcoming environment for the attraction and the protection of

foreign investment. Practically, this translates in a complete overhaul of the previous tripartite framework constituted by the FIE Laws, reconstructing the main principles upon which the triad of laws that had governed foreign investment for forty years was built. FIEs had a different treatment than domestic companies: the establishment of foreign invested enterprises was subjected to governmental review and approval, and FIEs needed to be registered in order to operate; the focus was on the organization of these businesses and the foreign investment that poured capital into them, rather than the behavior of foreign investment and the derived activities (Zhang, 2020).

At first glance, the 2020 FIL is substantially different from the 2015 Draft: above all, it is only made up of six chapters and 42 brief articles, which are much different in nature from the prescriptive and case-specific provisions of the former laws, to the extent that the neutral and general provisions contained in the new law have been considered excessively vague by some (Zhang, 2020). The new law sets the basis for the macro management of foreign investment, changing the legal framework not only by unifying and standardizing it, but also by shifting the focus of business management from the supervision of market subjects to the supervision of market behaviors, i.e. from the regulation of foreign investors to the regulation of their investment activities.

In addition, some topics, such as the highly debated provision on VIEs, are not present anymore: the removal of these contentious issues was arguably instrumental in the fast-paced deliberation process, as all those stakeholders who had vetoed the 2015 Draft had no reason to raise the same objections with respect to the new text. Moreover, this version of the foreign investment law addressed some of the hot topics raised by the US during the heated trade war, such as forced technology transfer, market entry and intellectual property protection, which were not mentioned in such detail in the 2015 Draft. (Lowe, 2019).

As mentioned above, the provisions of the 2020 FIL are divided into six chapters: general provisions, foreign investment promotion (*touzi cujin* 投资促进), foreign investment protection (*touzi baohu* 投资保护) foreign investment management (*touzi guanli* 投资管理), legal liabilities (*falv zeren* 法律责任) and a supplementary chapter. (Liao, 2020)



### 2.3.1 General provisions and foreign investment promotion

Chapter 1 of the 2020 FIL starts by stating the scope, goals and applications of the law, providing the general principles and rules for the regulation and management of foreign investment.

More specifically, Article 1 enounces that the goals of the new Foreign Investment Law are to expand China's economic development and opening up to the rest of the world; actively promote foreign investment and standardize their management; protect the interests and rights of foreign investors and create a new mechanism for the market access of foreign investment (Zhang, 2020). It is worth mentioning that, compared to Article 1 of the EJV Law, the wording of the initial clause of the 2020 FIL removes the terms "permission" and "approval", modifying the underlying tone of the whole document: it is not anymore something granted by the government to foreign investors, but rather an endeavor to create an environment from which all parties can benefit (Liao, 2020).

The first chapter provides fundamental definitions to some of the key concepts the law revolves around, a task which was much more difficult under the previous regime due to the case-specific nature of the FIE Laws.

Pursuant to Article 2, the definition of "foreign investor" includes foreign enterprises, natural persons and other organizations that engage in any of the forms of direct or indirect foreign investment permitted by the law (Zhang & Wang, 2019). More specifically, the 2020 FIL states:

1. A foreign investor establishes a foreign-funded enterprise within the territory of China, independently or jointly with any other investor.
2. A foreign investor acquires shares, equities, property shares or any other similar rights and interests of an enterprise within the territory of China.
3. A foreign investor makes investment to initiate a new project within the territory of China, independently or jointly with any other investor; and
4. A foreign investor makes investment in any other way stipulated by laws, administrative regulations or provisions of the State Council (NPC, 2020).

In comparison to the FIE Laws, which are silent on the matter, the definitions provided by the 2020 FIL broaden the scope of indirect investment, i.e. the acquisition of shares of a Chinese domestic company without gaining control over the entity (Wang et al., 2020). In addition, there

is no mention of the 25% minimum threshold of foreign capital contribution that was one of the defining aspects of the previous framework.

Despite the exhaustive characterization of these concepts, some important correlated issues are not addressed in the text of the 2020 FIL, specifically: whether the definition of investors encompasses Chinese natural persons, the possibility for international organizations and foreign governments to enter investment projects and the status of VIEs.

With regards to the first concern, it is not clear from the text of the 2020 FIL whether a Chinese individual is allowed to form an FIE with a foreign investor. Under the old framework, only Chinese enterprises and economic organizations could enter a joint venture contract, so Chinese natural persons were clearly excluded (Wang et al., 2020). Similarly to what used to happen with the FIE Laws and the respective implementation rules and regulations, the FIL Regulations managed to shed light on the matter, clearly stating that Chinese natural persons are included in the definition of investors provided by the 2020 FIL, thus formally granting to individual Chinese citizens the possibility to establish an FIE.

The second issue regards the inclusion of foreign governments and international organizations in the term “other organizations” used in Article 2 of the 2020 FIL. Under the provisions of the benched 2015 Draft, the definition of foreign investors also encompassed governmental departments and international, but in this case both the law and the regulations are silent on the matter (Zhang, 2020).

The third gray area on which the new law provides little information is the treatment of VIEs within the new framework. This form of investment vehicle, which allowed foreign investors to operate within prohibited sectors of the economy by taking advantage of a legal loophole, has never been formally recognized; furthermore, the clause containing prescriptions on VIEs contained in an early draft of the FIL Regulations was deleted in the final version. Nevertheless, a clause contained in Article 2 of the 2020 FIL might leave a backdoor open to the proper formalization of this structure. (Wang et al., 2020)

After these initial definitions, the 2020 FIL provides a series of clauses establishing the new framework for market access. In the past, market access revolved around two main focal points: the establishment process and the restrictions of the Catalogue. The FIE Laws prescribed a three-phase process for the establishment of an FIE and, since government approval was one of these compulsory steps, foreign investments were directly subjected to governmental scrutiny and were consequently treated differently as compared to domestic investments. The prerequisite of an approval from the authorities also exerted a certain amount of influence on

FIE contracts, which could not enter into force without the green light from the relevant bureaucracies (Zhang, 2020). Moreover, old FIEs were subjected to the limitations contained in the Catalogue which, as mentioned in Chapter 1, divided the sectors of the economy in different categories from encouraged to prohibited.

The 2020 FIL overhauls the existing mechanism for market access and introduces two new main concepts that further epitomize the change of focus from investors to investment activities and from approval to registration: pre-entry National Treatment (*zhunru qian guomin daiyu* 准入前国民待遇) and the Negative List (*fumian qingdan* 负面清单).

Pre-entry National Treatment means that investors will now enjoy the same treatment as domestic companies, prior to their actual presence on the Chinese market, during the phase of investment admission. Albeit recognizing the economic and political difficulties that derive from it, the United Nations Conference on Trade and Development (UNCTAD, 1999) regards National Treatment as the most important standard of treatment for foreign investment. The main underlying reason to adopt such principle is the fact that it would grant fair competition between foreign and domestic investors, boosting the fairness and the attractiveness of the Chinese market. The application of this equality principle is a constant in many articles of the 2020 FIL, from the provisions regarding foreign applications to operate in restricted sectors, to the obtainment of licenses and methods of public financing, as FIEs are now allowed to issue shares, bonds and other forms of public financing pursuant to Article 17 of the 2020 FIL (Peng, 2019).

In addition, the equality principle is further reaffirmed and expanded throughout the first two chapters of the FIL Regulations, specifically with regards to application of governmental policies for the development of the enterprise, participation of the FIE in the standard setting process and access to governmental procurements (Zhang, 2020).

With regards to the first, Article 6 of the FIL Regulations provides that, with respect to land supply, funding arrangements, reduction or exemption of taxes, human resource policies and project applications, the government shall treat equally domestic enterprises and FIEs. In addition, all details regarding developmental policies issued by the government shall be rendered public, in order to grant a fair and balanced treatment in cases when enterprises need to file an application to take part in the implementation process of one of such policies (Zhang, 2020).

The second application of the equality principle is connected with the standard setting process. (Wang et al., 2020) The FIL Regulations, in Article 14, not only state that all standards

shall be equally applied to both domestic companies and FIEs, but also provide that the latter are entitled to take part in the setting of state, group, industry and local standards. In addition, they can also personally draft and propose new criteria for standards, technology examination and translations of standards in foreign languages.

The last aspect is the principle of equal access to government procurements. Article 15 of the FIL Regulations provides as follows:

Governments and their appropriate departments shall not obstruct or restrict foreign-invested enterprises from freely entering the government procurement markets within their respective regions or regulated industries.

Purchasers and procurement agencies in government procurement shall not apply differential or discriminatory treatment to foreign-invested enterprises in such aspects as the release of government procurement information, determination of conditions for suppliers, eligibility examination and bid evaluation criteria, shall not limit the suppliers by imposing ownership form, organizational form, equity structure, country of investor, product or service brand, and other unreasonable conditions, and shall not treat differently the products produced or services provided within China by foreign-invested enterprises and those of domestic-funded enterprises. (State Council, 2019)

Articles 16 and 17 further expand on that, by providing that FIEs are entitled to file complaints about government-procurement-related matters and that the supervision on these issues shall be further strengthened, in order to correct any deviation from the underlying equality principle. Moreover, the 2020 FIL grants to local governments the possibility to autonomously provide incentives based on their local needs.

Presently, government procurements mainly encompass two aspects: provisions on the procurement of domestic goods and services and governmental procurements of imported goods (Kong, 2019).

In addition, it is important to notice that in all the provisions related to the application of the National Treatment granted to FIEs do not exclude that foreign investment vehicles might enjoy preferential treatments or receive incentives as a way to further boost the attractiveness of the Chinese market in the eyes of potential investors or encourage them to invest in key sectors if the economy, such as banking, tax and land use (Zhang, 2020).

Nevertheless, some inconsistencies may arise in the application of National Treatment when international treaties, containing more favorable provisions than the 2020 FIL, come into play. Pursuant to Article 4 of the 2020 FIL, if international treaties concluded by China envision

a more preferential treatment for market access, the relevant provisions may apply, but are not mandatory. The reason why the law does not mandate the application of such preferential clauses might be that creating this general rule for these facilitations could clash against the uniformity that the new foreign investment law aims at creating (Zhang, 2020).

Even though National Treatment is an internationally shared practice, there exist certain restrictions to its application. This is where the Negative List comes into play: this instrument is coupled with a list of restricted sectors of the economy where foreign investment are not permitted, thus representing an exception to the National Treatment policy, together with matters concerning national security and public health.

The Negative List, which is managed by the State Council and can be amended in accordance with national needs, is defined in the 2020 FIL as a series of special measures aimed at governing foreign investment in specific areas of the country. However, this concept has not been introduced specifically for this new law, as analogous limitations were present in documents as old as the Catalogue (Zhang, 2020).

The list of restricted sectors was modified on a yearly basis, following a decreasing trend. Under the old framework, different negative lists were active at the same time, as Free Trade Pilot Zones were subjected to specific restrictions, which were different from those applied in the rest of the country (Jakubczak, 2020).

A uniform Negative List was created only by the end of 2018, creating a unified structure, while at the same time restricting the freedom of local governments in the redaction of their own lists. The 2020 version of the Negative List possesses features that are much similar to the ones contained in the Catalogue, such as the division of market access measures in two categories: prohibited and restricted. With regards to the latter, Article 33 of the FIL Regulations provides that foreign investors are allowed to operate in these sectors upon the fulfillment of certain conditions regarding senior management and equity rights: in these restricted industries, such as education, health, telecommunications and vehicles manufacturing, foreign parties face limitations such as equity caps or minimum requirements (Alvarado, 2020).

In addition, the Regulations envision the possibility of the redaction of a “positive list” containing all those sectors, industries and regions in which the state encourages the presence of foreign investment. This is not only a way to channel investments towards selected sectors of the economy, but also a means to boost the development of poorer geographical regions (Jakubczak, 2020).

The existence of an encouraged category constitutes the third exception to the application of the National Treatment principle: foreign investment will not only be treated differently when they engage in restricted or prohibited sectors, but will also receive preferential treatment when applying for encouraged sectors, thus being favored to domestic investments. Needless to say, all sectors not specifically mentioned in the lists are not subjected to any limitations and market access will be based upon the National Treatment principle.

These two notions, National Treatment and Negative List, set the basis for the new establishment process for FIEs, which is made up of two steps: registration and filing (Zhang, 2020).

With regards to the first, since the new framework overhauls the previous tripartite regime and subjects the business structure of FIEs to the same laws that govern domestic businesses, the new investor is faced with three choices. First, if the FIE can be established as a company, and the registration will be carried on in accordance with the provisions of the Chinese Company Law; second, the investor can choose to register the new business entity as a non-legal person, similar to what could happen with contractual joint ventures; third, the investor can choose to simply acquire stocks or shares of a pre-existing company becoming a shareholder.

The authorities tasked with registration remain the same that performed this function under the previous framework, namely the central and local branches of the former SAIC, which in 2018 was merged into the State Administration for Market Regulation (SAMR).

The second step is filing (*beian* 备案). After the initial registration, the new FIE needs to file for record with the SAMR, which also offers an online filing platform. There are two different types of filing: initial and follow-up filing. The first one needs to be made within 30 days from the registration of a new FIE, while the second type is used when pre-existing FIEs need to communicate important changes in their structure, such as modifications of registered capital, total investment, mergers or divisions, early recoupment of investment in a CJV, early termination, etc. (Zhang, 2020).

### **2.3.2 Foreign investment protection**

The topic of the protection of foreign investment is an issue that China has been facing for a long time. The report of the 2018 survey on the investment climate in China shows that foreign

investors have put forth several concerns about the adequacy of China's measures for investment protection, especially with regards to intellectual property protection, forced technology transfer and even theft of commercial secrets (Bevan, 2018).

In response to these concerns, the 2020 FIL dedicates a whole chapter made up of eight articles on the topic of investment protection. The provisions not only strengthen the preservation of the investors' interests and rights, but also envision some restrictions on central and local levels of the government. The clauses contained in this chapter mainly cover five topics: expropriation, intellectual property protection, the establishment of a complaint and settlement mechanism, the validity of foreign investment contracts and the setting of limitations to the actions of local governments.

The first issue, covered in Article 20 of the 2020 FIL, is expropriation (*zhengshou* 征收), which is defined as the act of taking private property against the will of the owners and, albeit subjected to certain limitations, is not prohibited under international law. In general terms, the right of expropriation can be exercised in four cases: under due process, for public purposes, on non-discriminatory grounds and with due compensation (UNCTAD, 2012).

In the case of China, the earliest provisions against expropriation date back to the 1990 amendment of the EJV Law. The revised Article 2 stated the commitment of the Chinese government to not expropriate or nationalize EJVs unless under exceptional public-interest-related circumstances and with the promise of compensation. This principle is further reaffirmed in the 2020 FIL, where Article 20 creates a general rule against expropriation of foreign investment. Once again, the sole foreseen exception is the safeguard of public interests, and even in this case the expropriation will be carried on only pursuant to legal procedures and with the promise of a timely compensation based on the market value of the investment (Alvarado, 2020). In addition, an addendum contained in the FIL Regulations grants to foreign investors the possibility to file a lawsuit or seek administrative review in case of disagreement with the government's decision to expropriate.

In comparison with the expropriation clause contained in the EJV Law, the new FIL provides a much more comprehensive definition of the concept of compensation: while the old document only provided the compensation to be appropriate, the provisions of the 2020 FIL demand it to be reasonable, prompt and calculated on the basis of the assets contended (Liao, 2020).

Zhang (2020) argues that three issues may arise in the application of this article: first, the law fails to give a clear definition of the “extraordinary circumstances” that justify expropriation, leaving the government the possibility to deliberate on a case-by-case basis, increasing legal uncertainty on the topic; second, the general approach taken by the law still leaves unclear the definition of public interests; and third, the doubt persists on whether requisition (*zhengyong* 征用) is a possibility in the new framework, as the 2020 FIL mentions it specifically, but the concept is removed in the FIL Regulations.

The clause on expropriation is followed by a brief article allowing the remittal abroad of an FIE’s lawfully obtained profits, royalties, compensations, liquidations, contributions and capital gains.

Subsequently, the 2020 FIL dedicates Articles 22 and 23 to the protection of the investors’ intellectual property and the prohibition of forced technology transfer.

Since the beginning of the economic reform, the acquisition of advanced technology has been one of the pillars of the Chinese policies on foreign investment. In relation to the matter, the EJV Law contained a highly debated clause that granted the Chinese party the right to keep using the imported technology after the expiration of the joint venture contract. This practice was considered a form of forced technology transfer and reports showed that complaints from both the EU and the US flooded China: in 2019, as much as 20% of European companies operating in China claimed that they had no choice but transfer technology to the local counterpart in order to maintain market access (Lappin, 2019); in addition, forced technology transfer was one of the issues tackled during the trade negotiations carried on between the US and China in the context of the ongoing trade war between the two superpowers (Pinkert & Hubbard, 2019).

In response, China explicitly imposed a legal ban on forced technology transfer in Article 22 of the 2020 FIL, that provides as follows:

The State shall protect the intellectual property rights of foreign investors and foreign-funded enterprises, and protect the legitimate rights and interests of holders of intellectual property rights and relevant right holders; in case of any infringement of intellectual property right, legal liability shall be investigated strictly in accordance with the law.

During the process of foreign investment, the State shall encourage technology cooperation on the basis of free will and business rules. Conditions for technology cooperation shall be determined by all investment parties upon negotiation under the principle of equity. No administrative department or its staff member shall force any transfer of technology by administrative means (State Council, 2019).



In addition, the FIL Regulations further reaffirm the Chinese government's intention to safeguard the investor's intellectual property and promote technological cooperation. These articles are viewed as a fundamental measure to ensure the protection of foreign investment. (Zheng, 2019)

The issue of forced technology transfer is closely linked to commercial theft, which is a widespread phenomenon in international business transactions. The 2020 FIL specifically addresses this issue in Article 23, where it is granted that all governmental bureaucracies involved in the management of foreign investments and the establishment of FIEs will keep confidential all business secrets disclosed.

The statutory assurance that both the articles covering commercial theft and technology transfer will be upheld is granted by another provision contained in the new law: Article 39, which is contained in the chapter covering legal liabilities, provides that in case of abuse of power or neglect of duties by any of the administrative authorities, it will result in legal action against that subject (Zhang, 2020).

The third expression of the Chinese commitment to protect and safeguard foreign investment is manifested by the introduction of a complaint mechanism (*tousu gongzuo jizhi* 投诉工作机制) for grievance redressing, which is aimed at simplifying the expression of concerns and complaints that foreign investors want to present to the relevant authorities (Song, 2019).

This mechanism carries out two main functions: coordinates issues raised in relation to investment management, in order to improve the associated policies, and provides possible solutions to the concerns submitted (Zhang, 2020). The FIL Regulations provide more details on the functioning of the complaint mechanism, which involves both the central and the local government and is also tasked with conducting inquiries to the bureaucracies involved in the complaints. Moreover, the law forbids any form of retaliation against the investor or FIE that requested any action taken by the complaint mechanism.

In addition to this structure, foreign investors can resort to other methods to report possible problems to the authorities: these alternative means include administrative reconsideration (*xingzheng fuyi* 行政复议) and litigation.

After these provisions, the fourth subdivision of the third chapter poses some additional statutory limitations to actions of local branches of the government: in addition to the provisions forbidding forced technology transfer and the disclosure of sensitive business information, the

2020 FIL also contains two additional rules that affect the actions of local governments, which are respectively outlined in Articles 24 and 25.

The first one deals with the drafting of normative documents that deliberate on foreign investment and aims at further reaffirming the uniformity principle in the application of the new legal framework. It is stated that, without formal legal authorization, governments at all levels are not allowed to increase the obligations or derogate on the rights and interests of FIEs, set conditions for market access or affect in any way an FIE's day-to-day operations. Article 26 of the FIL Regulations expands the topic, adding that the abovementioned documents will all be subjected to a legal compliance review conducted by the State Council. This compliance review can also be autonomously requested by the investors.

Pursuant to Article 25 of the 2020 FIL, the second rule affirms the commitment by the local government towards foreign investment policies and contracts, in order to ensure consistency and continuity in the legal environment, even in case of changes in the government. The clause also envisions the necessity from the government to make amendments to norms or contract terms, which can be performed if three conditions are met: first, any change should be made for public interests; second, they have to comply with the statutory limits and procedures; third, proper compensation for possible losses must be granted to those involved.

A more specific clarification on the matter and the compensation standards is laid out as follows in Article 28 of the FIL Regulations:

The local peoples governments at all levels and their appropriate departments shall perform the policy commitments legally made to foreign investors and foreign-invested enterprises and the various types of legally signed contracts, and shall not break such commitments and contracts on the grounds of administrative division adjustment, government change, institutional or functional adjustment, and related personnel replacement, and the like. If the policy commitments or contractual agreements need to be changed due to national interests or social public interests, such change shall be conducted in accordance with statutory authorities and procedures, and the affected foreign investors and foreign-invested enterprises shall be compensated in a timely and fair manner according to law (State Council, 2019).

Last, the final macro-area of the third chapter deals with investment contracts, which the Supreme People's Court defines in the FIL Interpretation as an agreement signed by a foreign investor (which can be a natural person, enterprise or other organization of foreign origin) related to direct or indirect investment within the territory of China. This characterization

includes contracts for the establishment of FIEs, purchase and transfer of shares or equity, investment projects and right transfers.

The contract is considered valid if its scope falls within the limits prescribed by the 2020 FIL, but the Negative List also plays an important role in whether or not the agreement can come into force. Zhang (2020) identified three situations in which the Negative List is a discriminating variable in the approval of the contract: first, if the contract involves a sector which is not specifically addressed in the Negative List, the document shall be considered valid without the approval of the authorities; second, if the sector object of the contract is listed as prohibited, the contract will be deemed invalid; third, if it is part of the restricted category, the document can be approved on the condition that it operates in accordance with the special administrative measures for restricted entry. The last situation is related to the possible changes brought upon by the revision of the Negative List: in that case, if the amendments move the sector in object to a less restrictive category, the new categorization shall prevail.

In conclusion, the last article in the investment protection chapter of the 2020 FIL grants FIEs the possibility to freely join or retire from chambers of commerce and associations, which are also entitled to play an active role in the creation or amendment of laws and regulations regarding foreign investments.

### **2.3.3 Foreign investment management and legal liabilities**

The concept of foreign investment management, around which revolves Chapter 4 of the 2020 FIL, refers to those processes and measures through which the government supervises and controls foreign investment (Zhang, 2020). These rules have not been newly introduced in the new framework, as sporadic provisions were also present in the past legal environment. However, the 2020 FIL dedicates a whole chapter to the matter.

In general terms, the Negative List is the first instrument for market access management, together with general compliance rules contained in the 2020 FIL, that prescribe that FIEs should accept supervision and inspection by governmental authorities and shall abide by the relevant domestic laws and regulations on matters such as taxation, foreign exchange, insurance, labor protection and accounting,

In respect to this, pursuant to Article 31 of the 2020 FIL, the structure, form of organization and operational norms of the FIEs will be subjected to the same laws that govern

domestic business entities, namely the Company Law of the and the Partnership Enterprise Law (herein after referred to as Partnership Law), repealing all the separate laws and regulations that have governed those relationships since the 1980s (Wang et al., 2020).

In this new legal environment, new FIEs can be established both as a legal person entity and a non-legal person entity. Under the provisions of the Company Law, an FIE can be incorporated as a legal person either in the form of a limited liability company or a company limited by shares, also called stock company. In opposition, an FIE with non-legal person status will be established as a foreign invested partnership enterprise, pursuant to the provisions of the Partnership Law. In this regard, the 2020 FIL removes the minimum 25% threshold for the foreign partner's capital contribution (Zhang, 2020).

Corporate governance structures under the Company Law differ materially from existing structures: for example, under its provisions, the board of directors reports to the shareholders meeting, whereas under the FIE Laws, the board of directors, not the shareholders meeting, is the highest authority (Roules, 2019).

The law also contains anti-trust provisions and applies to foreign investment those laws and regulations aimed at hindering the formation of monopolies, specifically in areas such as the acquisition of a company through assets, equity or contracts and mergers of operators.

These forms of enterprises and their differences with the older types of FIEs will be analyzed in further detail in Chapter 3 of this thesis.

Another important component of foreign investment management is the information reporting system (Wang et al., 2020). The framework established by the 2020 FIL, and more specifically the provision contained in article 34, envisions the use of new channels for information reporting, which are both under the jurisdiction of the SAMR.

The first structure through which FIEs are required to submit investment information is the Enterprise Registration System (*qiye dengji xitong* 企业登记系统), a platform for the registration of businesses. Pursuant to the relative regulation, the following enterprises enjoy the status of legal person and are required to be registered with the administrative authority for commerce and business:

- I) State-owned enterprises
- II) Collective enterprises
- III) Associated enterprises
- IV) Equity joint ventures, cooperative joint ventures and wholly foreign-owned enterprises established within the territory of China

V) Private enterprises

VI) Other enterprises required by the law to be established as legal persons (State Council, 1988)

Recently, China has been reforming and streamlining the business registration system, introducing the five-in-one business license (*wu zheng he yi* 五证合一) in 2016, a comprehensive document that works as a business license, organization code, tax registration and social and public security and can be obtained through an online business registration system (Zhang, 2020).

The other structure involved in information reporting is the Enterprise Credit Information Publicity System (*qiye xinyong xinxi gongshi xitong* 企业信用信息公示系统), a national information system that provides access to the registration data of all legal entities. The database contains three categories of information: businesses' credibility information, a list of companies prosecuted for dishonest or illegal acts and a list of operational anomalies.

Enterprises are required to submit reports on a yearly basis, disclosing information such as capital contributions of the parties, changes in equity and registration of intellectual property. Any infringement related to the authenticity of information or failure to meeting the defined deadlines will result in the company being included in the operational anomalies list; repetitive transgressions over the course of three years will move the enterprise in the category of businesses guilty of dishonest or illegal acts, stripping them of the rights of accession to government procurements (O'Melveny & Myers, 2014). The 2020 FIL envisions even harsher penalties: pursuant to Article 37, a fine will be imposed on FIEs and related stakeholders if they fail to meet the information disclosure requirements.

The chapter on foreign investment management concludes with the characterization of the national security review system (*anquan shencha zhidu* 安全审查制度).

National security review is a process through which the government can scrutinize foreign investment. More specifically, it refers to the legal system in which the host country reviews the foreign investment in order to determine if it may endanger national security, and eliminates the threat by means such as prohibition or conditional approval (Zhang & Wang, 2019).

Albeit controversial in nature, national security review has been present in China since the promulgation of the Anti-monopoly Law in 2008, whose provision on the matter focused mainly on mergers and acquisitions related to foreign investment. Since then, the procedure has been refined and broadened by a number of different laws and regulations, growing to

encompass matters such as the acquisition of domestic companies by foreign investors, commercial investments related to technology and even the totality of foreign investments in the Free Trade Zones (Song, 2019).

The 2020 FIL fits into the context by unifying these scattered norms under a framework governing every aspect of national security review related to foreign investment. On one hand, from the Chinese perspective, this is viewed as instrumental in protecting inbound foreign investment and the investor's market access (Zhang & Wang, 2019); on the other hand, foreign entrepreneurs fear that this form of national security review might give the Chinese government the opportunity to exert significant influence in several investment projects (Lowe, 2019).

Nevertheless, the provisions of both the 2020 FIL and the FIL Regulations are quite general in nature, failing to provide details on how the review will be conducted and not granting the party the right to be heard. The article present in both documents simply states as follows:

The State shall establish a security review system for foreign investment, under which the security review shall be conducted for any foreign investment affecting or having the possibility to affect national security. The decision made upon the security review in accordance with the law shall be final. (NPC, 2020; State Council, 2019)

## **2.4 Lingering issues**

Zhang (2020) argues that, despite its comprehensive scope and reformative intent, the 2020 FIL still leaves some unresolved issues.

The first one is the lack of a clear definition of the criteria that determine whether an investor can be classified as foreign. In China there are two different approaches in the distinction between foreign and domestic investment: nationality standard and control theory. The former, as the name suggests, focuses on the nationality of the investor, which means the citizenship, if the investor is a natural person, or the place of registration if it is a legal person. The main flaw in the use of this system is that in case of a legal person the place of registration might not reflect the actual nationality of the shareholders.

The second approach, control theory, places its focus on the person holding the controlling rights to the company making the investment, regardless of where the enterprise is legally registered (Guo, 2016).

While the 2015 Draft took a mixed approach, the 2020 FIL, albeit providing a definition of foreign investor, does not specify a criterion to identify an investor as foreign. In addition, the provisions of the Company Law also need to be taken into consideration, as under the new framework all FIEs will be subjected to this domestic law, which primarily utilizes a control theory approach. The main source of uncertainty is related to whether Chinese citizens may be considered foreign investors if they hold controlling interests of a shell company established abroad (Guo, 2016).

The second issue identified by Zhang is the remittance of foreign exchange.

Pursuant to the provisions of the 2020 FIL and the FIL Regulations, transfer of foreign exchange in and out of the country is allowed without restrictions. This, however, comes into contrast with the fact that Chinese currency cannot be freely converted and is subjected to specific limitations imposed by the already existing measures for foreign exchange control, whose validity has not been impacted by the promulgation of the new foreign investment law.

The final concern is about the transition that existing FIEs will be required to go through in order to comply with the new legal framework.

The 2020 FIL provides the abrogation of the FIE Laws, but in Article 42 envisions a transition period of five years to allow all the pre-existing EJVs, CJVs and WFOEs to modify their structure in order to adapt to the new requirements (Wang et al., 2020). While the main law seems to leave room for the possibility for FIEs to maintain the original business structure and organizational forms, the FIL Regulations clarify in Article 44 that starting January 1, 2025 all applications filed by non-adjusted FIEs will be denied by the market supervision authority.

In relation to this transition, however, three problems might emerge (Wang et al., 2020).

The first one is related to FIE contracts. In this matter, what remains to be ascertained is primarily whether the contracts and all related documents of old FIEs will hold legal validity during the transition period, as the laws and regulations supporting them have been formally repealed by the promulgation of the 2020 FIL. Article 49 of the FIL Regulations partially addresses this problem, pointing out that if the existing provisions are inconsistent with the foreign investment law and the implementation regulations, the latter shall prevail (Ren, 2020).

Secondly, some of the clauses of pre-existing contracts will necessarily need to be amended and renegotiated in order to review the document to comply with the Company Law or the Partnership Law. The possibility that the parties may be unable to reach an agreement may not be excluded; in this case, as the 2020 FIL is silent on the matter, the criteria for the application of the law still remain unclear.

The remaining matters, namely corporate structure and corporate governance will be addressed in further detail in the following chapter of this thesis.



## **Chapter 3 – Aftermath of the 2020 FIL Framework: Integration with the Company Law and the Partnership Enterprise Law**

### **3.1 The grace period**

The promulgation of the 2020 FIL has reshaped the legal landscape for foreign investment, opening Chinese domestic enterprise forms to foreign entrepreneurs (Kuntner, 2021).

The FIE framework was a hybrid legislation integrating commercial law, organizational law, industrial policies and economic management laws. As mentioned in Chapter 2, the 2020 FIL represents an important change of course as it abandons all content related to commercial organization law, thus restoring unity in the Chinese industrial policies and economic management. The 2020 FIL only stipulates on the legal system and the rules for the management of foreign investment, while the domestic enterprise laws will apply to all companies including foreign-invested enterprises. The relationship between the two legislations has been thoroughly straightened out so there will be no legal conflict between two laws on the same matter (Kong, 2019).

The last Article of the 2020 FIL specifically provides the repeal of the FIE Laws and states that existing FIEs may retain their organizational form for a period of five years after the 2020 FIL comes into effect. Further clarity is offered by the FIL Regulations, which in Article 44 formally stipulates the integration between the domestic and FIE framework:

Foreign-invested enterprises established in accordance with the Law of the People's Republic of China on Chinese-Foreign Equity Joint Ventures, the Law of the People's Republic of China on Foreign-Funded Enterprises, or the Law of the Peoples Republic of China on Chinese-Foreign Contractual Joint Ventures before the implementation of the Foreign Investment Law (hereinafter referred to as existing foreign-invested enterprises) can adjust their organizational forms or structures in accordance with the provisions of the Company Law of the People's Republic of China, the Partnership Enterprise Law of the People's Republic of China and other laws, and apply for registration of such changes according to law, or choose to retain their original organizational forms and structures, within five years after the implementation of the Foreign Investment Law.

Starting on January 1, 2025, the market regulation department will not handle other registration matters applied for by existing foreign-invested enterprises that have not adjusted their organizational forms or structures and applied for registration of change in accordance with the law, and will publicize such relevant circumstance (State Council, 2019).

This provision clarifies that, after the five-year grace period, existing FIEs are indeed given the choice to not change their organizational structure and adapt to the Company Law and Partnership Law. However, in this case, they would be denied the chance to make any change that requires registration by the SAMR (Zhang, 2020).

The transition will be the most concrete and impactful change brought upon by the establishment of the new framework, and will affect differently the four existing types of FIEs which were analyzed in Chapter 1 of this thesis: EJVs and Legal CJVs, being business enterprises possessing legal person status, will be subjected to the provisions of the Company Law, but will have to undergo substantial changes in their structure in order to conform to the provisions contained therein; WFOEs, which are already established as limited liabilities corporations, will be the less impacted by the transition out of all types of FIEs, as their structure shares many similarities to that envisioned under the Company Law (Kuntner, 2021); the framing of Non-Legal CJVs within the new legal environment remains unclear, however, being nothing more than a contractual arrangement between the foreign investor and the Chinese party, this particular type FIE is not different from a Sino-foreign partnership, and thus will possibly be converted into one of the enterprise forms regulated by the Partnership Law (Kong, 2019).

In addition, the Chinese Contract Law will also be applicable to the contracts related to foreign investment: while agreements involved in foreign investment projects in the negative list will still be subject to examination and approval, other investment documents- such as equity transfer contracts, equity replacement contracts, equity change contracts and other contracts involved in foreign investment projects outside the negative list - will be simply subject to the provisions of the current Contract Law (Kong, 2019). With regards to this, another issue relates to the necessary modification that FIE contracts will have to undergo to comply with the 2020 FIL and the dynamics that might ensue, especially in relation to the fact that pursuant to the Chinese Contract Law any modification to the contract requires the consent of all the parties involved, but unanimity might be harder to reach due to the shift in power balance within the structure envisioned by the domestic laws (Zhang, 2020).

Regardless, in order to shed further clarity on the hierarchy of the vast number of legal documents that govern and manage the countless aspects of foreign investments and of the life cycle of business entities, the FIL Regulations end with a clarifying provision that states that, should conflicts or inconsistencies arise, the 2020 FIL and the FIL Regulations shall prevail (Kuntner, 2021).

### **3.2 The Company Law: a new framework for EJVs, WFOEs and Legal CJVs**

The framework built upon the FIE laws envisioned four types of enterprises, three of which possessed legal personality: EJVs, WFOEs and Legal CJVs. The new unified framework, on the contrary, subjects all legal-person FIEs to the domestic Company Law. In order to conform to the new legal environment after the grace period, pre-existing FIEs will have to undergo substantial changes, which might result in a complete denaturalization of the original structure and of power balance of the company (Zhang, 2020).

At the present time, the organizational form of FIEs complies with the provisions of the previous legal regime, meaning that, under normal circumstances, EJVs, Legal CJVs and WFOEs are all incorporated as limited liability companies. In addition, despite the organization of WFOEs representing an exception and being already built around the provisions of the Company Law, the mandatory structure for EJVs and Legal CJVs consists of a board of directors and a board of supervisors and lacks the mandatory shareholder meeting prescribed in the Company Law (Pisacane, 2018).

Under its provisions, FIEs will be faced with the choice to be incorporated as either a Limited Liability Corporation (LLC) or a Joint Stock Corporation (JSC). The transaction to these corporate forms, however, implies a series of impactful changes affecting the most diverse areas of the enterprises, which will plausibly require the parties to renegotiate important aspects of their relationships over the course of the five years grace period (Wang et al., 2020).

First and foremost, an important innovation brought upon by the establishment of the new framework is the removal of the minimum 25% threshold of foreign capital in the creation of an FIE. This modification will grant foreign investors a higher degree of flexibility, and under the Company Law they may also enjoy the status of minority shareholder (Schaub et al., 2019).

Moreover, the Company Law contains provisions that differ from those of the FIE Laws mainly with respect to the following three areas. First, the power distribution within the company will be modified: the highest authority in an FIE was the board of directors, while under the Company Law the shareholder meeting occupies the top hierarchical level. Secondly, parties to an FIE will be able to autonomously deliberate on the dividend distribution scheme. Lastly, the majority requirements will also be different: for the FIE Laws required unanimous vote, while the Company Law lowers the threshold to two thirds; the same applies for share transfer, with the approval of all shareholders which was required by the old framework being

substituted by a simple majority under the domestic governance (Zhang, 2020). These changes will be addressed in detail in the following sections.

### **3.2.1 The Company Law: a general overview**

The Company Law of the People's Republic of China (*zhonghua renmin gongheguo gongsi fa* 中华人民共和国公司法) was promulgated by the NPC in 1993. The emanation of this law was a fundamental step in the series of economic reforms that shifted China from a planned economy system to a market-oriented economy (Yu, 2019).

The promulgation of the Company Law was pivotal in the regulation of domestic enterprises, since the only other document performing the same function was the EJV Law - promulgated in 1979 - which had the dual purpose of managing foreign investment while at the same time being the very first formal enterprise legislation in China. The function of the EJV Law was subsequently shared with the CJV Law and the WFOE Law, which were enacted a decade before the domestic Company Law (Kong, 2019).

The law underwent a series of revisions and amendments in 1999, 2004, 2005 and 2013, each of them with the aim to further improve the provisions on corporate governance and adapt to the needs of modern enterprises (Pisacane, 2018). These important revisions can be briefly summarized as follows:

The first revision, in 1999, resolved, among other things, the issue of supervision and management of state-owned companies and aimed at promoting growth of high technology by condoning a higher level of recognition of technological contributions to corporations' registered capital. The second revision, in 2004, among other things, abolished governmental approvals that had previously been necessary for the issuance of above par value stocks. The revision of 2005 provided a basic legal framework by adopting a more balanced approach to modern corporate governance. Revisions of the Company Law in 2013 abolished the minimum registered capital contribution requirement for corporations. Under the newly revised corporate law, not only was no minimum registered capital required, but the requirement of an initial contribution of registered capital and the proportion of cash in the registered capital contribution, were also abolished. The revised Company Law of 2013 replaced the paid-in contributions of registered capital requirement with a registered capital by subscription requirement. Under the new subscription system, shareholders had to agree to their subscribed amount, contribution methods, and contribution timing. The revised law no longer required a paid-in minimum registered capital (Yu, 2019).

The 2005 amendment is considered the most important revision, because it introduced a series of clauses aimed at the protection of minority shareholders and, most importantly, at the prevention of the abuse of shareholding rights. These provisions, contained in Articles 20 and 21 of the Company Law, translate practically in the loss of the limited liability of the shareholder who abuses his position and tries to take advantage of the separate legal personality of the enterprise. This was regarded as a fundamental step forward for the Chinese legal system, as these new stipulations represent the formal implementation of the so-called piercing of the corporate veil (Pisacane, 2018).

### **3.2.2 Limited Liability Corporations and Joint Stock Corporations**

The Company Law, whose text is divided into thirteen chapters, regulates the incorporation, the operation and the managerial organs of two types of business enterprises: Limited Liabilities Companies (*youxian zeren gongsi* 有限责任公司) and Joint Stock Companies (*gufen youxian gongsi* 股份有限公司), also called companies limited by shares (Pisacane, 2018). The law also envisions special types of corporation (listed companies, SOEs and single-ownership enterprises), the analysis of which is beyond the scope of the present work.

An LLC is a private, usually small-scale business corporation owned by a small number of shareholders, who enjoy rights based on the ratio of their capital contributions. The Company Law grants a fair degree of flexibility to LLCs, as shareholders may freely deliberate on matters regarding management, structure and profits, as long as all the relevant provisions are included in the articles of association and agreed upon by the totality of shareholders.

In comparison, albeit still bearing limited liability, JSCs are usually bigger in scale. This kind of corporation is governed by four different bodies: the shareholder meeting, the board of directors, a board of supervisors and an executive management body. In its establishment, a JSC can issue stocks to both incorporators and separate investors, but in case incorporators decide to form the capital of the JSC by promotion, they need to subscribe at least 35% of the total registered capital themselves. In addition, an LLC can change its form to a JSC through the issuance of shares to investors or to the public and it can also choose to be listed on the stock exchange, thus becoming a public company (Yu, 2019).

As mentioned in Chapter 1, foreign investors were permitted to incorporate into JSC with a Chinese partner under the old framework as well. Foreign JSC possessed no notable

alterations from the domestic counterpart, the only difference being the minimum 25% requirement for foreign ownership. This last point of divergence, however, has been cancelled by the 2020 FIL, as the Company Law does not require a minimum investment percentage. In addition, the law specifies that if the provisions of the current Foreign Investment Law are different, those provisions shall prevail, meaning that the provisions of the 2020 FIL shall repeal the provisions on Foreign JSCs (Zhang, 2020).

### **3.2.3 Incorporation and establishment procedures**

In Article 23, the Company Law prescribes a series of prerequisites for the establishment of a new corporation that represent a general outline of most of the provisions contained in the law: the number of incorporators must be within the limits prescribed; the articles of incorporation must be prepared in written form and approved by all the parties; the issuance of shares of a JSC must comply with the law; and the new company shall have a domicile and a name in compliance with the relevant provisions. Furthermore, chosen names are subjected to approval and, pursuant to Article 8 of the Company Law, they must contain the indication “limited (liability) corporation” if the company is established as an LLC and “joint stock (limited) corporation” if the chosen form is a JSC.

With regards to the first point, incorporators are defined as the subjects preparing the filing of all documents necessary for the registration of a company and take all the required steps for its establishment. They are required to perform their obligations, enjoy a series of rights and, in case of violations of the law, they may be subjected to legal liabilities. The law prescribes a minimum statutory limit for the number of incorporators: in case of LLCs, shareholders may be in any number between two and fifty, while the maximum limit set for JSCs is 200, and at least 50% of them must be resident in China (Zhang, 2020).

Among the obligations of the incorporators, the law prescribes strict conditions on the capital contribution payments: at least 20% of the registered capital must be provided before an LLC is established, while the rest should be paid within two years.

Moreover, incorporators of a JSC enjoy a greater degree of freedom in regards with rights and obligations, which can be freely negotiated among the parties in the articles of association. A JSC can be established in two ways: by issuing the totality of stocks to the incorporators themselves or by issuing part of it to the public. In the first case, the incorporators

need to subscribe to the complete number of shares detailed in the articles of association; in the second case, the incorporators need to hold at least 35% of the total amount of shares. Any breach in the fulfillment of these obligations will result in compensation from the failing parties (Yu, 2019).

In addition, parties to a JSC bear a series of unique liabilities that only pertain to this specific type of business entity: the incorporators are liable jointly and severally for all expenses arising from pre-establishment procedures, for any infringement of the interests of the corporation during the establishment process, and, if the registration is found to be fraudulent, they are given the chance to rectify it upon the payment of a fine. Under particularly serious circumstances, the business license may be revoked, and the registration cancelled. (Yu, 2019). The Company Law also contains provisions aimed at protecting the shareholders lawful rights and interests, so that the shareholders to an LLC or a JSC are able to enjoy the right to profit and the right to take part in the management of the enterprise. Similar to what pertained FIEs under the old framework, profit distribution - a by-product of the parties' right to profit - is allowed only when the corporation has already made up for all previous losses and withdrew all funds requested by the law (Pisacane, 2018).

Once these pre-establishment conditions have been fulfilled, the actual establishment process is divided into three steps (Yu, 2019), with the first one being the drafting of the articles of association.

The articles of association, which do not require governmental approval, is a document where the parties outline their agreements related to the respective rights and obligations. It establishes the constitution of a company, must be in written form and is binding for shareholders, managers, directors and supervisors. Article 25 prescribes a series of minimum items to be contained in the document and this prescription: this guideline, while on one hand standardizing to a certain extent the content of the articles of association, on the other grants the parties a fair degree of flexibility, which has become increasingly greater with each revision of the law (Pisacane, 2018).

The second step in the establishment process is the payment of capital contributions, in accordance to the ratio established in the articles of association.

The Company Law dedicates more than ten articles to the registered capital and the capital contribution requirements. Notably, before the 2014 amendment, the law prescribed a minimum amount of registered capital, which was 30.000 RMB for LLCs and 100.000 RMB for JSCs, but this requirement was removed by the latest revision.

In general terms, the registered capital of an LLC is equivalent to the capital contribution made by the incorporators. For a JSC, it is equivalent to the amount of stocks subscribed by the parties, which means the incorporators alone or together with public investors. Capital contributions may be made in cash or in kind, and some exceptions exist for the latter, as franchising rights, labor services, property with secured interests and credit are not acceptable as form of contribution. In case of contribution in the form of property, the usage rights must be transferred directly to the corporation and be certified through a report (Zhang, 2020).

The capital of the corporation generally encompasses three components: equity capital, debt and capital generated by the enterprise's business operations, i.e. internally generated funds. Equity capital is the sum of the contributions from shareholders at the time of the company's establishment, while debts - which may be both long term and short term - can be raised from shareholders, public investors or financial institutions (Yu, 2019).

Companies limited by shares are also subject to a series of more specific provisions. Principally, the capital of a JSC is divided into shares with equal value and shareholders enjoy rights in proportion of the number of shares they own or have subscribed for. There are two different types of shares: common shares and preferential shares. Rights associated to both forms are usually similar, but common shares grant their holders a wider variety of rights, such as decision-making and voting rights. At the same time, however, the right to profit of common shareholders is subordinated to that of preferred shareholders. This subdivision is not stated clearly by the Company Law but, pursuant to Article 132, the State Council can allow the issuance of forms of stocks other than common ones, and the issuance of preferred stocks is common practice among Chinese companies. Stocks can also be categorized in registered stocks and bearer stocks: the former are usually issued by a corporation to its legal person shareholders and its promoters and require a registry of all holders, while the second type is instead transferred directly upon endorsement and does not require registration with the company (Pisacane, 2018).

The proportion of contribution to the registered capital of the enterprise is closely linked to subsequent distribution of dividends. In this area, the introduction of the new legal regime has brought about a series of novelties: under the old framework, the EJV Law required parties to this FIE to share profits and bear liabilities proportionally to their capital contributions, while the CJV Law granted a higher degree of flexibility on the matter. In respect to this, the new framework shares many similarities with the latter, as the provisions of the Company Law allow the parties to agree upon a specifically tailored profit distribution plan. This is an immediate



advantage for parties to an EJV, who in the future will enjoy a higher degree of flexibility in dividend distribution. Liquidation of assets, however, still remains linked to the previous ratio (Wang et al., 2020).

The third and final step is the registration of the company by the competent authority, which will request details such as the name and domicile of the company, the type of business enterprise, the name of the legal representatives, of the shareholders and of the incorporators and other information related to the scope and term of business. The authorities in charge are once again the SAMR and its local branches, the same bureaucracies overseeing the registration of FIEs. If a new company is established through public stock issuance, the Company Law requires incorporators to prepare the requested stock subscription forms and prepare a prospectus. The forms usually contain information such as the issuing price and the value of the stocks, the number of stocks purchased by each of the incorporators, the rights and obligations of the subscribers and the purpose of the public financing (Yu, 2019)

### **3.2.4 Corporate Governance**

The corporation's governance system is constituted by three institutions, whose establishment is mandatory under the provisions of the Company Law: the shareholder meeting, the board of directors and the board of supervisors (Pisacane, 2018).

The institution of a shareholder meeting (*gudong hui* 股东会 in LLCs and *gudong dahui* 股东大会 in JSCs) is compulsory and this body exercises a wide variety of powers: it is in charge of decision-making on operational and investment matters; elects directors and supervisors; approves financial plans, fiscal plans and meeting reports; deliberates on managers compensation, distribution of profits, modifications to the registered capital and all other major matters regarding the life cycle of the company, such as mergers, dissolution and liquidation, amendments to the articles of association and changes in corporate structure. Shareholder meetings are presided by the chairman of the board of directors, which is also the institution in charge of calling these gatherings. In LLCs, shareholder meetings are scheduled regularly, and special gatherings can be requested at least one tenth of shareholders or one third of supervisors. In JSCs, instead, regular shareholder meeting are usually held on a yearly basis, while the law prescribes in Article 39 three different cases in which a special shareholder meeting can be summoned: upon request of the board of directors or the board of supervisors; if no quorum is

present at a board of directors meeting; and if requested by one or more shareholders in possess of at least 10% of the total amount of shares of the company (Yu, 2019).

The resolution of a shareholder meeting can take two forms: regular or special. A regular resolution is, pursuant to Article 104 of the Company Law, a resolution which has obtained approval of half of the voting members present at the meeting. The second one, instead, requires at least two thirds of favorable votes, and it is necessary when the shareholders are deliberating on matters such as amendments to the articles of association, mergers, dissolution, change of corporate form or variation of the registered capital.

In LLCs, shareholders enjoy voting rights in accordance to the proportion of capital contribution, while the voting right for the shareholders of a JSC is based on the one-share-one-vote principle and proxy voting is also permitted.

The Company Law also provides that, in the election of the board of directors, the meeting of shareholders may adopt cumulative voting instead of straight voting, thus granting minority shareholders greater chances of choosing representatives for the board (Pisacane, 2018).

The second important body in the governance structure of an enterprise is the board of directors (*dongshihui* 董事会), which is the organ in charge of the execution of the business affairs of an enterprise and its members are elected by the shareholder meeting. The board of directors, which holds decision-making power, is also tasked with the appointment of managers, who are responsible for the implementation of the decisions taken by the board of directors. The number of members of the board of directors is set by the law: between three and thirteen for LLCs and between five and nineteen for JSCs. The board of directors is not compulsory for small-scale LLCs, where it can be substituted by an executive director (Pisacane, 2018).

The duties and functions of the board of directors are prescribed by the law but can be further expanded pursuant to the provisions of the articles of association. This body is basically the operating arm of the shareholder meeting: it reports to them and is tasked with execution of the resolutions of the shareholders. The board of directors is also in charge of a wide variety of tasks:

The board of directors is accountable to shareholders by calling and reporting to the shareholder meeting, executing the resolutions of the shareholder meeting, making decisions regarding operational and investment plans, producing an annual fiscal budgetary plan and profit distribution plan, as well as plans regarding an increase or decrease in registered capital and bond issuance, formulating plans regarding mergers, divestitures, changes of corporate form or dissolutions, making decisions regarding management

structure, appointing or removing managers, making decisions regarding their compensation matters and appointing or removing deputy managers or financial officers, making decisions regarding their compensation, and formulating the basic management system of the corporation (Yu, 2019).

The board of directors is hierarchically stratified, and the highest layers are occupied by the chairperson and the deputy chairpersons, elected by a simple majority vote of the shareholders. The term of the directors may not exceed three years but can be shorter if the articles of association provide so. The shareholder meeting determines the directors' salary and bonuses and holds the right to remove the directors with or without cause (Yu, 2019).

Directors of the board are held accountable for the resolutions of the board of directors but can be exonerated from their liabilities if they explicitly disagree in writing.

As mentioned above, the board of directors is in charge of the election of managers, despite their appointment not being mandatory. Both shareholders and directors can hold management office, which is tasked with overseeing the daily business operations of the company and executing the resolutions of the board of directors. The salary of the managers is decided by the board of directors, which, if the company is a JSC, also needs to disclose the matter to the shareholder meeting (Pisacane, 2018).

The final institution is the board of supervisors (*jianshihui* 监事会), which, as the name suggests, is the body in charge of overseeing the operational and financial conditions of the company, together with the execution of business affairs by managers and directors. It is elected by the shareholder meeting and reports directly to it.

The appointment of the chairperson and vice-chairpersons of the board of supervisors is the result of an internal election with at least half of the members present. The board includes both shareholders representatives and employees representatives, elected through a democratic voting and selected in proportion with the overall number of employees of the enterprise; representative of the staff usually account for one third of the members of the board of supervisors. Directors and senior managers are not allowed to hold a position in the board of supervisors. Members are in charge for three years and may be reelected. In LLCs the board reunites once a year, while in JSCs it holds meetings every two years (Yu, 2019).

The board of supervisors can:

[...] examine the financial affairs of the corporation, supervise the performance of the directors or supervisors, propose to remove directors or senior managers who are in violation of laws, rules, articles of incorporation, or the resolution of the shareholder meeting, request that directors or senior managers

rectify acts contravening the interests of the corporation, propose a preliminary shareholder meeting, submit proposals to the shareholder meeting, and litigate against directors or senior managers in accordance with the law. Supervisors may be present at the meetings of the board of directors and inquire into or propose resolutions to the board of directors. Supervisors may propose a preliminary meeting of the board of supervisors. The board of supervisors may initiate investigations into the business affairs of the corporation and hire accounting firms when needed upon discovery of any irregularities in business operations (Yu, 2019).

It appears quite clearly that the provisions of the Company Law on corporate governance differ substantially from those of the FIE framework, and the shift of power balance will plausibly be the most impactful change that FIEs will have to undergo to conform to the new legal environment. First and foremost, the most evident change is that under Company Law, the highest authority within a corporation is the shareholder meeting and not the board of directors, as was the case under the FIE framework (Schaub et al., 2019).

This shift in the highest layer of hierarchy also brings upon a series correlated changes in other areas of corporate governance. First of all, the powers and duties of the highest authority within the enterprise are laid out in much more detail in the Company Law, which contains much more specific prescriptions regarding the areas of direct influence of the shareholder meeting.

Second, the number of directors and their term also changes: while the old framework only prescribed a minimum number of directors, the prescription of the Company Law, albeit maintaining the minimum threshold, also envision a maximum number of thirteen directors of the board, whose term cannot be longer than 3 years. The term limit was the same for directors of a CJV, while EJV directors could previously hold office for four years.

Last, the voting rules and the majority and quorum requirements will have to be adjusted: under the FIE framework, major issues required the unanimous consent of all the directors present at a board meeting, while under normal circumstances the required quorum was at least two thirds of all directors or members of the managerial committee of a CJV. Under the provisions of the Company Law, shareholders are free to set any majority requirement, while major issues require the favorable vote of shareholders holding at least two thirds of the voting rights (Schaub et al., 2019).

The same freedom is also granted with respect to the transfer of shares. Under the FIE Laws, in order to transfer his shares, a shareholder needed the unanimous consent of all other parties, regardless if it was an internal or an external transfer. The provisions of the new

framework, instead, provide a more flexible system: there is no consent requirement for internal transfer, i.e. the buying and selling among shareholders already in possess of part of the company's stock, while for external transfer absolute majority is required. In this second case, however, if a shareholder votes against the share transfer but at the same time refuses to buy the shares himself, his vote will be deemed in favor of the transfer. In addition, the Company Law also grants shareholders the possibility to autonomously agree on a different share transfer mechanism (Schaub et al., 2019).

### **3.2.5 Mergers, divestitures and dissolution**

The Company Law dedicates two chapters to the final stages of the life of a corporation; more specifically, Chapter IX covers mergers and divestitures, while the following one contains provisions on the dissolution and liquidation of a company.

A merger is the combination of two business entities through an agreement stipulated in accordance with the relevant legal procedures. Under the law, such integration can either take the form of a merger or a consolidation.

In a merger, one of the two company is dissolved during the procedure. The remaining corporation will retain its original name and will acquire proprietary and creditor rights of the other company, together with its debt obligations. A consolidation, instead, is the fusion of two separate corporate entities that results in the creation of a third, new enterprise and the dissolution of the original companies (Yu, 2019).

The Company Law envisions a series of procedural requirements for this procedure, which, first and foremost, requires a resolution voted by at least two thirds of the shareholder meeting. In addition, the company must issue an asset and liability statement and a balance sheet including all cash, tangible and intangible properties of the corporation. A notification must be given in advance to all creditors, and the merger is required to be made public within a month.

The law does not require a corporation going through a merger to activate dissolution procedures, but the entity remaining after the operation will need to amend its articles of association. The document will have to be written anew during a shareholder meeting in the case of a consolidation merger. In both cases, the operation will result in the inheritance of all

rights and obligations by the remaining company without any conditions. Transferred properties and debts, however, must be registered by the competent authorities.

New registration procedures are requested for both the surviving and the newly established company, while the dissolved enterprise must proceed with the cancellation procedures (Yu, 2019).

Divestitures, instead, are the diametrical opposition of mergers, i.e. operations through which a business entity divests its properties and separates into two or more different companies. Divestitures can be partial, where the original corporation remains active and autonomous, or complete, where after the operation the initial entity ceases to exist. This second case is called dissolution divestiture.

The quorum needed for the approval of a divestiture is the same as the one required for mergers: two thirds of the shareholder meeting. Likewise, the steps to follow after the divestiture, with regards to documentation to be issued, public notifications and registrations amendments, are comparable to those pertaining mergers (Yu, 2019).

With respect to the termination of a company, under the provisions of Chapter X of the Company Law, dissolution is the operation through which a business enterprise terminates its legal person identity upon the occurrence of a certain event. This process, which is regulated by the prescriptions contained in the law, may happen voluntarily, in accordance to cases prescribed in the articles of association such as expiry of the contract term, or involuntarily, as in the case of statutory dissolution (Pisacane, 2018).

In Article 180, the law indicates a series of events that might initiate a statutory dissolution: bankruptcy, mergers or divestitures, administrative or judicial orders, the closure of business or the revocation of the business license. In addition, shareholders in possess of at least 10% of the voting rights of the company may file a dissolution petition by a court, upon the occurrence of conditions such as material losses to the company's interests caused by poor management or in case of a deadlock.

Liquidation is the step immediately following the decision to dissolve a company. This is the set of procedures that brings to a closure the legal relationship of the company and oversees the division of its property. Once a company has undergone dissolution, it will retain its legal person status only for matters concerning liquidation, and the person in charge of the process will represent the enterprise in the performance of all necessary duties, such as notifying creditors, paying taxes, concluding remaining business activities and taking part in any active litigations.

The Company Law envisions three different types of liquidation: voluntary, prescribed and bankruptcy liquidation (Yu, 2019).

The first refers to liquidation procedures initiated and organized by the enterprise itself, usually concurrently with a voluntary dissolution. Within 15 days after dissolution, a company must establish a liquidation committee consisting of shareholders for LLCs and directors or persons chosen by the shareholder meeting for JSCs. If the corporation fails to complete the voluntary liquidation process, shareholders, directors and managers will bear civil liabilities for any damage suffered by properties of the corporation or rights of the shareholders.

Prescribed liquidation is instead initiated by court-designated individuals who conduct the liquidation procedures pursuant to a petition signed by the parties involved.

The last kind, bankruptcy liquidation, is a process regulated by the Enterprise Bankruptcy Law. It takes place after a company has initiated bankruptcy procedures and unfolds similarly to the voluntary liquidation, with the sole difference being the involvement of a court.

When it comes to distribution of remaining assets after the liquidation process, the FIE Laws contained provisions allowing the parties to autonomously negotiate the distribution of remaining properties. The Company Law, however, prescribes that all assets must be allocated in proportion to the parties' contribution to the registered capital of the enterprise: this means that, after the grace period, foreign investment will have to amend their articles of association in order to comply with the new framework (Wang et al., 2020).

To conclude, the liquidation process is finally deemed complete when the company files for the cancellation of the business registration with the competent bureaucracy and the report issued by the liquidation committee is approved by the shareholder meeting or the court involved in the procedure (Yu, 2019).

### **3.3 The Partnership Enterprise Law: a new framework for Non-Legal CJVs**

The fourth and final form of FIE envisioned in the old legal framework is Non-Legal CJVs.

Despite possessing a series of unique characteristics which will need to be adjusted in the transaction to the new legal regime, this type of FIE without legal person status shares many similarities with Sino-foreign partnerships and, after the grace period, will plausibly be converted into one of the business enterprises regulated by the domestic Partnership Law (Kong, 2019).

Apart from these common characteristics, there exist some inconsistencies between the Partnership Law and the CJV Law, and three main differences can be identified.

First of all, the CJV Law requires non legal joint ventures to establish a joint managerial committee, which comes into contrast with the principle of equal representation of the partners contained in the Partnership Law, as under its provisions the partners manage directly the business of the partnership enterprise.

The second important difference regards the rights and obligations of the parties to a Non-Legal CJV, which are stipulated in the articles of association and the joint venture contract, while the corresponding document for partnerships is the partnership agreement.

Last, the Partnership Law contains specific provisions on the withdrawal and succession of partners, which are absent in the counterpart and are an important addition to the regulation of the dynamics among the partners. (Ye & Ye, 2006).

### **3.3.1 The Partnership Enterprise Law: a general overview**

The Partnership Enterprise Law of the People's Republic of China (*Zhonghua renmin gongheguo hehuo qiye fa* 中华人民共和国合伙企业法) was adopted by the NPC in 1997. The original version of the law consisted of 9 chapters and 78 Articles and contained provisions similar to those contained in the Company Law, designing the complete system of rules that oversees all the phases of the life of a partnership enterprise, from its establishment to its dissolution (Kuntner, 2021).

The notion of partnership was present in China well before the promulgation of the Partnership Law, but it was only after its adoption that partnerships were formally considered as a form of enterprise (Ye & Ye, 2006). In the 1997 Partnership Law, a partnership enterprise was defined as a for-profit organization, established pursuant to a partnership agreement signed by the parties who jointly contribute to the registered capital of the partnership and conduct business, share risks and profits and bear unlimited joint and several liability for the debts of the enterprise.

This first version of the Partnership Law only envisioned and regulated one type of partnership, General Partnership Enterprises (GPEs) but a second one, Limited Partnership Enterprises (LPEs) was introduced subsequently (Lin & Yeo, 2010).



In 2006, the Partnership Law was substantially amended in response to certain grey areas in the previous version and in an effort to boost the attractiveness of this form of enterprise. The revised text of the Partnership Law is made up of 109 Articles, which include two major improvements on the 1997 document: legal persons are allowed to become partners and two new types of partnerships are introduced, namely the Specialized GPEs, a type of partnership mainly designed for firms operating in the professional services sector, and, as mentioned above, Limited Partnership Enterprises.

In addition, a new, broader definition of partnership enterprises is provided: the 2006 Partnership Law defines this form of business vehicle as an enterprise established by natural persons, legal persons and other organizations within China and pursuant to the provisions contained in the law. Profit-making is not explicitly quoted in the definition itself, but it is referenced multiple times throughout the text, such as in the provisions on profit distribution and on the business scope of operations (Kuntner, 2021).

Under the legal point of view, Chinese partnership do not possess legal person status, but the law envisions a series of provisions that guarantee the partnership's property independence, thus granting this form of enterprise a sort of hybrid status between legal and non-legal person. More specifically, the clauses contained in Articles 20, 38 and 39 of the Partnership Law in addition to prescribing that the capital contribution of the partners, all properties lawfully obtained and the income deriving from operation belong directly to the partnership itself, also stipulate that said property shall be used to pay the debts of the enterprise. This means that the parties unlimited liability comes into play only if the property of the partnership itself is not sufficient to cover the debts of the enterprise. Nevertheless, some specific provisions related to the nature of LPEs and Special GPEs represent an exception to this general principle (Ye & Ye, 2006).

With regards to the requirements for the establishment of partnerships, the Partnership Law only requires the partners to draft one document: the partnership agreement (*hehuo xieyi* 合伙协议), which is the legal charter upon which a partnership enterprise is based. This document, which is required by law to be in written form, has a dual function: not only it regulates the association of the parties by establishing a legal relationship between them and stipulating the respective rights and obligations, but also forms the legal foundation of the establishment and the operation of the partnership enterprise (Kuntner, 2021).

Pursuant to Article 18 of the Partnership Law, the partnership agreement should at least contain the following ten items:

- (1) the name and address of the main business operation place of the partnership enterprise.
- (2) the purpose and business scope of the partnership.
- (3) the name and domicile of each partner.
- (4) the ways and amounts of capital contribution by partners and the time limits for payment.
- (5) the ways for profit distribution and loss sharing.
- (6) the execution of the partnership affairs.
- (7) the admission to and withdrawal from the partnership.
- (8) the settlement of disputes.
- (9) the dissolution and liquidation of the partnership enterprise; and
- (10) the liabilities for breach of contract. (NPC, 1997)

In addition, the law grants the parties the freedom to formulate any supplementary provisions they deem necessary and it also provides that all matters not specifically addressed in the agreement should be resolved through consultation (Kuntner, 2021).

### **3.3.2 General Partnership Enterprises**

The most basic type of partnership enterprise is the General Partnership Enterprise (*putong hehuo qiye* 普通合伙企业). The Partnership Law dedicates 40 articles in its second chapter to the regulation of this form of enterprise.

GPEs are business vehicles solely formed by general partners, who can be both natural and legal persons and are jointly and severally liable for the debts of the partnership with their personal property.

Pursuant to Article 26 of the Partnership Law, parties enjoy equal rights in the conduction of the partnership's business and can jointly decide on the management of the GPE by electing a managing partner in charge of representing the enterprise and running day-to-day operations. In addition, Chapter 2 of the Partnership Law addresses the issue of fiduciary concerns among the parties by outlining three principles: the general partner in charge of management should report regularly to the other partners on matters regarding the operations, the financial status and the business of the partnership; the general partner should refrain from carrying on any commercial activities that directly compete with those of the partnership; all parties should not perform any act that may harm the interests of the partnership (Lin & Yeo, 2010).

Special GPEs introduced in the 2006 amendment differentiate themselves from the counterpart mainly with regards to the scope of business, which is limited to the professional services sectors, and the liability of the partners. With regards to the latter, pursuant to the provisions contained in Section VI of Chapter 2 of the Partnership Law, partners to a Special GPE bear limited liability for debts resulting from professional misconduct or negligence of the other parties in the performance of their services (Kuntner, 2021).

These partnerships are considered the ideal vehicle for investors trying to test the waters of the Chinese market for the first time thanks to the swift establishment procedures, which only require 20 days, relatively low managerial and operational costs, and the flexible investment forms. (Ye & Ye, 2006). Another relevant advantage of this type of partnership is the degree of flexibility parties enjoy in tailoring the most important issues of the organization of the enterprise, while the unlimited liabilities that all parties must bear is the most notable drawback (Kuntner, 2021).

### **3.3.3 Limited Partnership Enterprises**

The second type of partnership introduced in the 2006 amendment of the Partnership Law is the Limited Partnership Enterprise (*youxian hehuo qiye* 有限合伙企业). LPEs introduce the concept of limited partners (*youxian hehuo ren* 有限合伙人) who, as the name suggests, are liable for the debts of the partnership only to the extent of their contribution to the registered capital of the enterprise. The limited partner, however, is subjected to specific requirements for capital contribution and does not enjoy the controlling rights of the LPE, which is managed by the general partner (*putong hehuo ren* 普通合伙人) (Kuntner, 2021).

LPEs can be incorporated by a maximum of 50 partners, of which at least one must be a general partner. In addition, the law stipulates in Article 3 that institutions financed by public fundraising, such as social and charitable organization, SOEs and listed companies, cannot take up the role of general partner (Lin & Yeo, 2010).

The duality and juxtaposition of the two different types of partners is a recurring theme in the Chapter dedicated to LPEs, which contains a series of provisions of a much more specific nature than those pertaining GPEs: the two subjects, general and limited partners, bear two different liabilities and enjoy different rights, as limited partner cannot take part in the management of the partnership, but only enjoy rights of advice, inspection and litigation; each

partner is subjected to different investment requirements, and more specifically limited partners are not allowed to contribute to the registered capital of the partnership with labor services. Limited partners have additional disclosure requirements, namely their names and the amount of capital contribution they subscribed, and the conditions and effects for admission and withdrawal of partners varies in accordance with their legal status (Zhao, 2010).

The Partnership Law also envisions two situations in which the limited partner bears unlimited liability, both linked with the limited partner either entering a transaction with a third party without authority or under third party's misconception that he is actually a general partner. In both cases the limited partner will be liable to the maximum extent for the debts resulting from such transactions (Lin & Yeo, 2010). This clause, contained in Article 76 of the Partnership Law, can be seen as a restriction on the abuse of limited liability by limited partners, and states as follows:

Where it is reasonable for a third person to believe a limited partner to be a common partner and trade with him, the limited partner shall bear the same liabilities for the trade as a common partner shall do.

Where a limited partner, without authorization, trades with any other person and causes any loss to the limited partnership enterprise or to other partners, he shall be liable for compensation. (NPC, 1997)

Moreover, with regards to dissolution of a partnership, the law envisions two different scenarios that lead to the termination of these enterprises: first, both GPEs and LPEs must be dissolved if only one partner remains for a period exceeding thirty days; second, an LPE must be dissolved and converted into a GPE after the departure of all limited partners (Lin & Yeo, 2010).

To summarize, even though they are subjected to certain limitations concerning managerial rights and external representation of the partnership, limited partners enjoy a series of benefits inherent to the hybrid nature of LPEs, which combines advantages from both the partnership system and the corporate system, representing a very alluring business vehicle. First, bearing limited liability lessens investment risks and facilitates financing: for instance, it reduces the problem of lack of funds that affects the development of many small- and medium-sized enterprises by enabling the limited parties to share the profits while also anticipating the maximum investment risk and protecting the interests of creditors as well.

Second, LPEs are simple to set up, flexible to manage and stable to a certain extent: while GPEs usually dissolve after a general partner dies or declares bankruptcy, the withdrawal of a limited partner does not significantly impact the life of the enterprise.

Third, compared to companies, LPEs have no minimum mandatory limits for registered capital and investments in cash and have a fairly stable financial basis since the limited partner is not allowed to freely withdraw its capital contribution.

Fourth, LPEs enjoy tax advantages: as an unincorporated enterprise without legal person status, an LPE is not required to pay the enterprise income tax (Zhao, 2010).

### 3.3.4 Foreign Invested Partnership Enterprises

It is also important to mention that the Chinese legal system also envisions special provisions for a third type of partnership enterprises: Foreign Invested Partnership Enterprises (FIPES) (*waishang touzi hehuo qiye* 外商投资合伙企业). The relevant legislation defines FIPES as partnership enterprises established by two or more foreign business entities or individuals, and a Chinese natural person, legal person and other organizations in China, whose establishment is limited in certain sectors of the economy, pursuant to the provisions of the Negative List (Zhang, 2020).

These foreign investment vehicles, however, are not regulated by a separate set of laws – as in the case of other FIEs. The legal framework concerning FIPES, for instance, consists of a series of provisions and regulations stemming from the main law. These documents, promulgated between 2009 and 2010 by the State Council and the SAMR, are lower in hierarchy than the Partnership Law, and are given legal enforceability pursuant to Article 108, which delegates the formulation of specific provisions regarding FIPES. They state that the measures for the administration and the establishment of partnership enterprises by foreign enterprises or individuals will be issued separately by the State Council. The fundamental document governing FIPES is the Measures for the Administration of the Establishment of Partnership Enterprises by Foreign Enterprises or Individuals in the Territory of China (*wiguo qiye huozhe geren zai zhongguo jingnei sheli hehuo qiye guanli banfa* 外国企业或者个人在中国境内设立合伙企业管理办法) (Liao, 2020).

The treatment of FIPES within the new framework, however, still remains unclear. On one hand, the new Foreign Investment Law clearly includes partnership enterprises among the possible destinations for foreign investment, referencing them clearly in the definition of foreign investment provided in Article 2, which lists the acquisition of shares of property (*caichan fen'e* 财产份额) as one of the forms permitted by the law. On the other hand, albeit

no specific mention of FIPes is made, this particular type of foreign investment vehicle already enjoys a particular status from the legal point of view, since it has always been governed by provisions from the “domestic side” of Chinese laws and just some more specific regulations pertained to the FIE side of the framework (Zhang, 2020).

Kuntner (2021) argues that the reason why the legislation is silent on the matter probably lies in the fact that, should the necessity ever arise, the provisions and regulations issued by the SAMR and the State Council could be easily repealed by a simple administrative regulation at a later stage, without necessarily going through the lengthy legislative abrogation process.

## Part II – English – Chinese Terminological Glossary

## Terminological records

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> account books

<Morphosyntax> noun group

<Source> ^Lo, Tian 2011^:180

<Lexica> Found in ^Cambridge Business English Dictionary 2011^, ^Merriam-Webster 2016^

<Definition> The records of money that a business or organization has spent and received.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> In investigating and disposing of suspected cases of infringement, the AIC at the county level or above, based on evidence of suspected illegal conduct or a report, may interrogate the parties and investigate the circumstances pertinent to the infringement and inspect and copy the contracts, invoices, account books, and other relevant materials of the parties in relation to the infringement.

<Source> ^Lo, Tian 2011^:180

<Concept field> Foreign invested enterprises

<Related words> accounting, corporate finance

<Type of relation> super.

<Related words> ^accrual accounting^

<Type of relation> general

<Equivalence en-zh> Between the terms “account books” and “会计账簿” there is absolute conceptual equivalence

<zh> 会计账簿

<Morphosyntax> noun group

<Style label> official

<Origin> loan word

<Source> ^NPC 1993^: art.33

<Lexica> Found in ^Xue 2006^

<Definition> 一般为商人、专业人员或其他人所保有，用以记录其所有经营业务的账目。

<Source> ^Xue 2006^



<Context> 股东可以要求查阅公司会计账簿。股东要求查阅公司会计账簿的，应当向公司提出书面请求，说明目的。公司有合理根据认为股东查阅会计账簿有不正当目的，可能损害公司合法利益的，可以拒绝提供查阅，并应当自股东提出书面请求之日起十五日内书面答复股东并说明理由。公司拒绝提供查阅的，股东可以请求人民法院要求公司提供查阅。

<Source> ^NPC 1993^: art.33

<Concept field> 外商投资企业

<Related words> 会计

<Type of relation> super.

<Related words> ^权责发生制^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> accrual accounting

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Chen et al. 2006^:218

<Lexica> Found in ^Merriam-Webster 2016^, ^Cambridge Business English Dictionary 2011^

<Definition> A method of accounting in which income and expenses are recorded in the period when they are earned or incurred regardless of when the payment is received or made

<Source> ^Merriam-Webster 2016^

<Context> Chinese accounting is a set of unique accounting conventions with an interesting blend of accrual accounting, which reflects traditional Chinese cultural values, and includes a conservative concept of the accounting realization/ recognition principle.

<Source> ^Chen et al. 2006^:218

<Concept field> Foreign invested enterprises

<Related words> accounting

<Type of relation> super.

<Related words> ^account books^

<Type of relation> general

<Equivalence en-zh> Between the terms “accrual accounting” and “权责发生制” there is absolute conceptual equivalence

<en> accrual basis

<Morphosyntax> noun group

<Usage label> common

<Synonymy> (~)

<Source> ^Chen et al. 2006^:212

<en> accrual method

<Morphosyntax> noun group

<Usage label> common

<Synonymy> (~)

<Source> ^Merriam-Webster 2016^

<en> accrual principle

<Morphosyntax> noun group

<Usage label> common

<Synonymy> (~)

<Source> ^Cambridge Business English Dictionary 2011^

<zh> 权责发生制

<Morphosyntax> noun group

<Style label> official

<Source> ^State Council 1983^: art.73

<Lexica> Found in ^Xue 2006^

<Definition> 确定收入和费用的一种方法，即：根据商品销售(或发货)和提供的劳务来确认收入，而不论在什么时期收到现金；根据发生应付账款来确认费用，而不论在什么时期支付资金。

<Source> ^Xue 2006^

<Context> 合营企业会计采用国际通用的权责发生制和借贷记账法记账。一切自制凭证、账簿、报表必须用中文书写，也可以同时用合营各方商定的一种外文书写。

<Source> ^State Council 1983^: art.73

<Concept field> 外商投资企业

<Related words> 会计

<Type of relation> super.

<Related words> ^会计账簿^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> act of God

<Morphosyntax> noun group

<Source> ^Rich 1981^:203

<Lexica> Found in ^Martin 2003^, ^Merriam-Webster 2016^

<Definition> An event due to natural causes (storms, earthquakes, floods, etc.) so exceptionally severe that no-one could reasonably be expected to anticipate or guard against it.

<Source> ^Martin 2003^:9

<Context> The Chinese meaning of "force majeure" does not include strikes (unless against a third party), supervening government regulation which renders performance impossible, nor "acts of God."

<Source> ^Rich 1981^:203

<Concept field> Foreign invested enterprises

<Related words> ^force majeure^

<Type of relation> coord.

<Equivalence en-zh> Between the terms “act of God” and “自然灾害” there is absolute conceptual equivalence

<zh> 自然灾害

<Morphosyntax> noun group

<Style label> official

<Origin> loan word

<Source> ^State Council 1983^: art.90

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 水、旱、病、虫、鸟、兽、风、雹、霜冻等自然现象造成的灾害。

<Source> ^现代汉语词典 2012^:6225

<Definition 2> 不以人的主观意志为转移的,即人力不可抗拒、难以控制的造成人身伤亡或物质损毁等重大损失的自然事件。由自然界客观现象划分,此类灾害有5种。

<Source> ^Si 1998^

<Context> 合营企业在下列情况下解散:合营期限届满;企业发生严重亏损,无力继续经营;合营一方不履行合营企业协议、合同、章程规定的义务,致使企业无法继续经营;因自然灾害、战争等不可抗力遭受严重损失,无法继续经营;合营企业未达到其经营目的,同时又无发展前途;合营企业合同、章程所规定的其他解散原因已经出现。

<Source> ^State Council 1983^: art.90

<Concept field> 外商投资企业

<Related words> ^不可抗力^

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> annual meeting

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Lo, Tian 2011^:52

<Lexica> Found in ^Cambridge Business English Dictionary 2011^, ^Merriam-Webster 2016^

<Definition> A meeting of shareholders that the law requires a corporation to hold each year for the election of directors and the transaction of other business. In order for a vote taken at an annual meeting to be valid, shareholders must have received notice of the time, place, and date

of the meeting within a certain period, and there must be enough shareholders present to make a quorum.

<Source> ^Merriam-Webster 2016^

<Context> A company limited by shares shall place its financial statements at the company for inspection by the shareholders at least 20 days before the shareholders' annual meeting.

<Source> ^Lo, Tian 2011^:52

<Concept field> Foreign invested enterprises

<Related words> ^shareholder meeting^

<Type of relation> super.

<Related words> ^special meeting^

<Type of relation> coord.

<Synonyms> The synonyms “annual meeting”, “regular meeting” and “scheduled meeting” can be used interchangeably, but the term “scheduled meeting” is a more literal translation of the term “定期会议”.

<Equivalence en-zh> Between the terms “annual meeting” and “定期会议” there is relative conceptual equivalence: the English term “annual meeting” is used to indicate both the Chinese terms “定期会议” and “年会”, which indicate the same type of meeting in reference to two different types of corporations, respectively limited liability corporations and joint stock corporations.

<en> regular meeting

<Morphosyntax> noun group

<Usage label> common

<Synonymy> (~)

<Source> ^Yu 2019^:19

<en> scheduled meeting

<Morphosyntax> noun group

<Usage label> uncommon

<Synonymy> (~)

<Source> ^Yu 2019^:19

<zh> 定期会议

<Morphosyntax> noun group

<Style label> official

<Source> ^NPC 1993^: art.39

<Lexica> Found in ^Xue 2006^

<Phraseology> 股东会定期会议

<Definition> 指依照法律的规定召开和休会的立法机构或其他机构的会议。

<Source> ^Xue 2006^

<Context> 股东会会议分为定期会议和临时会议。定期会议应当依照公司章程的规定按时召开。代表十分之一以上表决权的股东，三分之一以上的董事，监事会或者不设监事会的公司的监事提议召开临时会议的，应当召开临时会议。

<Source> ^NPC 1993^: art.39

<Concept field> 外商投资企业

<Related words> ^股东会^, 股东大会

<Type of relation> super.

<Related words> ^临时会议^

<Type of relation> coord.

<Synonyms> 《定期会议》是指股东会的常会，而《年会》是指股东大会的。这两个词语都可以翻译成英语的《annual meeting》，但《年会》是《annual meeting》的较正确翻译。

<zh> 年会

<Morphosyntax> noun group

<Usage label> common

<Synonymy> (~)

<Source> ^NPC 1993^: art.100

<Phraseology> 股东大会年会

\*\*

<Subject> Law/Diritto  
<Subfield> Business enterprises/Imprese  
<en> appoint  
<Morphosyntax> verb  
<Source> ^Potter 1993^:25  
<Lexica> Found in ^Merriam-Webster 2016^  
<Definition> To name officially to a position.  
<Source> ^Merriam-Webster 2016^  
<Context> Specifically, amended Article 6 now permits the foreign investor to appoint a foreigner as chairperson of the board of directors. The amendment to Article 6 further provides that the vice chairperson of the board be selected by the joint venture partner that did not appoint the chairperson.  
<Source> ^Potter 1993^:25  
<Concept field> Foreign invested enterprises  
<Related words> ^board of directors^, ^chairman of the board^, ^general manager^  
<Type of relation> general  
<Equivalence en-zh> Between the terms “appoint” and “任命” there is absolute conceptual equivalence

<zh> 任命  
<Morphosyntax> verb  
<Style label> official  
<Origin> loan word  
<Source> ^NPC 1988^: art.12  
<Lexica> Found in ^现代汉语词典 2012^  
<Definition> 下命令任用。  
<Source> ^现代汉语词典 2012^:3957  
<Context> 董事会或者联合管理机构可以决定任命或者聘请总经理负责合作企业的日常经营管理工作。总经理对董事会或者联合管理机构负责。  
<Source> ^NPC 1988^: art.12  
<Concept field> 外商投资企业  
<Related words> ^董事会^, ^董事长^, ^总经理^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> approve

<Morphosyntax> verb

<Usage label> main term

<Source> ^Rich 1981^:189

<Lexica> Found in ^Cambridge Business English Dictionary 2011^, ^Merriam-Webster 2016^

<Definition> To accept, allow, or officially agree to something.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> The Foreign Investment Commission (FIC) is that body specified in article 3 of the joint venture law to screen and approve proposed joint venture agreements. The General Administration for Industry and Commerce (GAIC) is the organization with which joint ventures will be registered.

<Source> ^Rich 1981^:191

<Concept field> Foreign invested enterprises

<Related words> ^register^

<Type of relation> coord.

<Related words> examination and approval authority

<Type of relation> general

<Synonyms> The synonym “ratify” is often used in a more formal context than the term “approve”, which has a wider range of colloquial uses.

<Equivalence en-zh> Between the terms “approve” and “批准” there is absolute conceptual equivalence

<en> ratify

<Morphosyntax> verb

<Usage label> common

<Synonymy> (~)

<Source> ^Kuntner 2021^:226



<zh> 批准

<Morphosyntax> verb.

<Style label> official

<Origin> loan word

<Source> ^NPC 1979^: art.3

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 上级对下级的意见、建议或请求表示同意。

<Source> ^现代汉语词典 2012^:3563

<Context> 合营各方签订的合营协议、合同、章程，应报国家对外经济贸易主管部门（以下称审查批准机关）审查批准。审查批准机关应在三个月内决定批准或不批准。合营企业经批准后，向国家工商行政管理主管部门登记，领取营业执照，开始营业。

<Source> ^NPC 1979^: art.3

<Concept field> 外商投资企业

<Related words> ^登记^

<Type of relation> coord.

<Related words> 审查批准机关

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> arbitration

<Morphosyntax> noun

<Source> ^Rich 1981^

<Lexica> Found in ^Martin 2003^

<Definition> The determination of a dispute by one or more independent third parties (the arbitrators) rather than by a court. Arbitrators are appointed by the parties in accordance with the terms of the arbitration agreement or in default by a court.

<Source> ^Martin 2003^

<Context> The law provides that disputes which the board of directors fail to settle through consultation may be settled through arbitration or conciliation in China.

<Source> ^Rich 1981^:201

<Concept field> Foreign invested enterprises

<Related words> ^conciliation^

<Type of relation> coord.

<Equivalence en-zh> Between the terms “approve” and “仲裁” there is absolute conceptual equivalence

<zh> 仲裁

<Morphosyntax> noun

<Style label> official

<Origin> loanword

<Source> ^State Council 1983^: art. 97

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 争执双方同意的第三者对争执事项做出决定。

<Source> ^现代汉语词典 2012^

<Context> 合营各方根据有关仲裁的书面协议，可以在中国的仲裁机构进行仲裁，也可以在其他仲裁机构仲裁。

<Source> ^State Council 1983^: art 98

<Concept field> 外商投资企业

<Related words> ^调解^

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> articles of association

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Lo, Tian 2011^:42

<Lexica> Found in ^Cambridge Business English Dictionary 2011^, ^Martin 2003^

<Definition> A document that contains details of how a company is organized, for example, the duties of management, rights of shareholders, and when meetings will be held.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> Basically, the articles of association of a company contain provisions required by the Company Law and those agreed upon voluntarily by the shareholders. In the case of a limited liability company, the articles of association must clearly state: the name and domicile of the company; the business scope of the company; the registered capital of the company; the names or titles of the shareholders; the form, amount, and time limit of capital contributions; the organs in the company, the way of establishing them, and their powers and rules of procedure; the legal representative of the company; and any other matters which the shareholders' meeting considers it necessary to provide.

<Source> ^Lo, Tian 2011^:42

<Concept field> Foreign invested enterprises

<Related words> memorandum of association, ^contract^

<Type of relation> coord.

<Synonyms> The terms “articles of association” and “articles of incorporation” indicate the same document, but the latter is typically used in reference to American or Canadian companies.

<Equivalence en-zh> Between the terms “articles of association” and “公司章程” there is absolute conceptual equivalence

<en> articles of incorporation

<Morphosyntax> noun group

<Usage label> common

<Synonymy> (~)

<Source> ^Cambridge Business English Dictionary 2011^

<Definition> In the US and Canada, the articles of incorporation are a document that must be given to a state before a company can be legally created. It usually includes the name and address of the company, its purpose, and the number and type of shares that it will issue.

<Source> Cambridge Business English Dictionary 2011

<zh> 公司章程

<Morphosyntax> noun group

<Usage label> main term

<Style label> official

<Source> ^NPC 1993^: art. 11

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 书面写定的组织规程或办事条例。

<Source> ^现代汉语词典 2012^:5909

<Context> 设立公司必须依法制定公司章程。公司章程对公司、股东、董事、监事、高级管理人员具有约束力。

<Source> ^NPC 1993^: art. 11

<Concept field> 外商投资企业

<Related words> ^合同^

<Type of relation> coord.

<zh> 章程

<Morphosyntax> noun

<Category> short form

<Usage label> common

<Source> ^NPC 1979^: art.2

<Variant of> 公司章程

<Context> 中国政府依法保护外国合营者按照经中国政府批准的协议、合同、章程在合营企业的投资、应分得的利润和其它合法权益。

<Source> ^NPC 1979^: art.2

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> assign

<Morphosyntax> verb

<Source> ^Lo, Tian 2011^:33

<Lexica> Found in ^Cambridge Business English Dictionary 2011^

<Definition> To give your rights to a property, etc. to someone else, either by selling them or preparing a legal document as an agreement.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> If a partner wants to assign its share of partnership property wholly or partially to a third party, it must obtain the unanimous consent of all the other partners, unless otherwise stipulated in the partnership agreement. [...] If a partner wants to assign all or part of its share of partnership property to another partner, it must notify all the other partners.

<Source> ^Lo, Tian 2011^:33

<Concept field> Foreign invested enterprises

<Related words> ^^

<Type of relation>

<Related words> share transfer

<Type of relation> general

<Equivalence en-zh> Between the terms “assign” and “转让” there is absolute conceptual equivalence

<zh> 转让

<Morphosyntax> verb

<Style label> official

<Source> ^NPC 1988^: art.10

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 把自己的东西或应享有的权利让给别人。

<Source> ^现代汉语词典 2012^:6161

<Context 1> 中外合作者的一方转让其在合作企业合同中的全部或者部分权利、义务的，必须经他方同意，并报审查批准机关批准。

<Source> ^NPC 1988^: art.10

<Context 2> 除合伙协议另有约定外，合伙人向合伙人以外的人转让其在合伙企业中的全部或者部分财产份额时，须经其他合伙人一致同意。合伙人之间转让在合伙企业中的全部或者部分财产份额时，应当通知其他合伙人。

<Source> ^NPC 1997^: art.22  
<Concept field> 外商投资企业  
<Related words> 股票转让  
<Type of relation> general

\*\*

<Subject> Law/Diritto  
<Subfield> Business enterprises/Imprese  
<en> bankruptcy  
<Morphosyntax> noun  
<Source> ^Pisacane 2018^:63  
<Lexica> Found in ^Martin 2003^, ^Cambridge Business English Dictionary 2011^  
<Definition> a situation in which a business or a person becomes unable to pay their debts and is officially bankrupt.  
<Source> ^Cambridge Business English Dictionary 2011^  
<Context>When a corporation is in bankruptcy proceeding, the corporation will become dissolved and terminated upon completion of the bankruptcy procedures.  
<Source> ^Yu 2019^:38  
<Concept field> Foreign invested enterprises  
<Related words> ^dissolution^, ^liquidation^  
<Type of relation> coord.  
<Equivalence en-zh> Between the terms “bankruptcy” and “破产” there is absolute conceptual equivalence

<zh> 破产  
<Morphosyntax> verb  
<Style label> official  
<Origin> loan word  
<Source> ^NPC 1993^: art.66  
<Lexica> Found in ^现代汉语词典 2012^, ^Xue 2006^

<Definition> 债务人不能偿还债务时，法院根据本人或债权人的申请，做出裁定，把债务人的财产变价依法归还各债主，其不足之数不再偿付。

<Source> ^现代汉语词典 2012^:3645

<Context> 清算组在清理公司财产、编制资产负债表和财产清单后，发现公司财产不足清偿债务的，应当依法向人民法院申请宣告破产。公司经人民法院裁定宣告破产后，清算组应当将清算事务移交给人民法院。

<Source> ^NPC 1993^: art.187

<Concept field> 外商投资企业

<Related words> ^清算^, ^解散^

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> bearer stock

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Yu 2019^:18

<Lexica> Found in ^Cambridge Business English Dictionary 2011^

<Definition> A share that is considered to be owned by the person who has it in their possession, rather than by a named person.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> Stocks are categorized as either registered stocks or bearer stocks. [...] Bearer stocks, as the term suggests, do not need to be registered with the corporation and can be transferred upon endorsement.

<Source> ^Yu 2019^:18

<Concept field> Foreign invested enterprises

<Related words> ^registered stock^

<Type of relation> coord.

<Related words> ^joint stock corporation^

<Type of relation> general

<Equivalence en-zh> Between the terms “bearer stock” and “无记名股票” there is absolute conceptual equivalence

<en> bearer share

<Morphosyntax> noun group

<Usage label> common

<Synonymy> (~)

<Source> ^Cambridge Business English Dictionary 2011^

<zh> 无记名股票

<Morphosyntax> noun group

<Style label> official

<Source> ^NPC 1993^: art.86

<Lexica> Found in ^Si 1998^

<Definition> 不在股票上记载股东姓名或名称的股票。其股东的姓名、住所、所持股份等事项，亦不记载于公司股东名册中。可用交付的方式自由转让,转让时无须进行股票背书,填写股份转让证书,办理过户等手续。任何人持有此种股票即成为公司股东。

<Source> ^Si 1998^

<Context> 无记名股票的转让，由股东将该股票交付给受让人后即发生转让的效力。

<Source> ^NPC 1993^: art.140

<Concept field> 外商投资企业

<Related words> ^记名股票^

<Type of relation> coord.

<Related words> ^股份有限公司^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en > board of directors

<Morphosyntax> noun group



<Source> ^Pisacane 2018^:63

<Lexica> Found in ^Cambridge Business English Dictionary 2011^

<Definition>The board of directors is the group of people who shareholders choose to manage a company or organization.

<Source> ^Cambridge Business English Dictionary 2011^

<Context>The governance of a company has several constituents: the shareholders' meeting is the organ of power, and the board of directors is the organ of decision. The management, which is accountable to the board of directors, is the organ of operations.

<Source> ^Lo, Tian 2011^:45

<Concept field> Foreign invested enterprises

<Related words> ^board of supervisors^, ^shareholder meeting^,

<Type of relation> coord.

<Equivalence en-zh> Between the terms “board of directors” and “董事会” there is absolute conceptual equivalence

<zh>董事会

<Morphosyntax> noun

<Style label> official

<Source> ^NPC 1993^: art.16

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 某些公司、企业或学校、团体等的领导机构。

<Source> ^现代汉语词典 2012^:1167

<Context> 董事会是合资企业的最高权力机构，决定合资企业的一切重大问题；董事名额的分配由合营各方参照出资比例协商确定。

<Source> ^Zhao 2019^:60

<Concept field> 外商投资企业

<Related words> ^监事会^, ^股东会^

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> board of supervisors

<Morphosyntax> noun group

<Source> ^Lo, Tian 2011^:40

<Definition> The board of supervisors is the company supervision organ, whose purpose is to guarantee the correct application of the other corporate governance mechanisms and to check and prevent any violations of the law by the directors or senior officers of the company.

<Source> ^Pisacane 2018^:69

<Context> Large limited liability companies and all companies limited by shares must have a board of supervisors consisting of three or more members. If a limited liability company is small, it may have one or two supervisors instead of a full board. The board of supervisors should include the representative(s) of shareholders and the representative(s) of staff and workers in the appropriate ratio.

<Source> ^Lo, Tian 2011^:49

<Concept field> Foreign invested enterprises

<Related words> ^board of directors^, ^shareholder meeting^

<Type of relation> coord.

<Equivalence en-zh> Between the terms “board of supervisors” and “监事会” there is relative conceptual equivalence: the English term “board of supervisors” has a broader meaning than the Chinese “监事会”; while the latter is used specifically in reference to the supervisory body within an organization, the English term is also used to indicate a governmental body at county level in some American states.

<zh> 监事会

<Morphosyntax> noun

<Style label> official

<Source> ^NPC 1993^: art.33

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 某些公司、学校、团体等的监督机构。

<Source> ^现代汉语词典 2012^:2313

<Context> 有限责任公司设监事会，其成员不得少于三人。股东人数较少或者规模较小的有限责任公司，可以设一至二名监事，不设监事会；监事会应当包括股东代表和适当比例的公司职工代表，其中职工代表的比例不得低于三分之一，具体比例由公司章程规定。

<Source> ^NPC 1993^: art. 51

<Concept field> 外商投资企业

<Related words> ^董事会^, ^股东会^

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> branch

<Morphosyntax> noun

<Source> ^Lo, Tian 2011^:45

<Lexica> Found in ^Cambridge Business English Dictionary 2011^

<Definition> A branch is one of the offices or groups that form part of a large business organization.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> A company may establish a branch outside its domicile. Since a branch does not have the status of a legal person, the parent company will assume the branch's civil liabilities.

<Source> ^Lo, Tian 2011^:45

<Concept field> Foreign invested enterprises

<Related words> ^subsidiary^, parent company

<Type of relation> coord.

<Related words> ^company^

<Type of relation> super.

<Equivalence en-zh> Between the terms “branch” and “分公司” there is absolute conceptual equivalence

<zh> 分公司

<Morphosyntax> noun

<Style label> official

<Source> ^NPC 1993^: art.14

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 总公司下属的分支机构或附属机构，不具有独立法人资格。

<Source> ^现代汉语词典 2012^:

<Context> 公司可以设立分公司。设立分公司，应当向公司登记机关申请登记，领取营业执照。分公司不具有法人资格，其民事责任由公司承担。

<Source> ^NPC 1993^: art.14

<Concept field> 外商投资企业

<Related words> ^子公司^

<Type of relation> coord.

<Related words> ^公司^, 总公司

<Type of relation> super.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> business license

<Morphosyntax> noun group

<Source> ^Bu 2013^:17

<Lexica> Found in ^Cambridge Business English Dictionary 2011^

<Definition> an official document from the government, court, etc. that gives you permission to do, have, or own something (e.g. a business)

<Source> ^Cambridge Business English Dictionary 2011^

<Context> It is important to note the difference between a company's business license and its registration. Even if a company's business license is revoked by the SAIC or any of its local offices, the company still has the independent legal capacity to participate in the court hearing until it has been formally dissolved.

<Source> ^Bu 2013^:17

<Concept field> Foreign invested enterprises

<Related words> ^company^

<Type of relation> general

<Equivalence en-zh> Between the terms “business license” and “营业执照” there is absolute conceptual equivalence

<zh> 营业执照

<Morphosyntax> noun group

<Style label> official

<Source> ^NPC 1993^: art.7

<Lexica> Found in ^He 1990^

<Definition> 商业企业、饮食业、服务业、旅游业、信息咨询业等取得国家登记主管机关核准的合法凭证。

<Source> ^He 1990^

<Context> 依法设立的公司，由公司登记机关发给公司营业执照。公司营业执照签发日期为公司成立日期。公司营业执照应当载明公司的名称、住所、注册资本、经营范围、法定代表人姓名等事项。公司营业执照记载的事项发生变更的，公司应当依法办理变更登记，由公司登记机关换发营业执照。

<Source> ^NPC 1993^: art.7

<Concept field> 外商投资企业

<Related words> ^公司^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> capital contribution

<Morphosyntax> noun group

<Source> ^Pisacane 2018^:30

<Lexica> Found in ^Cambridge Business English Dictionary 2011^, ^Merriam-Webster 2016^

<Definition> A contribution of funds or property to the capital of a business by a partner, owner, or shareholder.

<Source> ^Merriam-Webster 2016^

<Context> Under Company Law, it allows the shareholders to make a capital contribution by non-monetary property, at the same time, it requires that the value of capital contribution by non-monetary property cannot exceed 70% of the total registered capital. Currently, thanks to 2013 Amendment to Company Law, shareholders can make capital contribution entirely by non-monetary property (except for those assets that shall not be used as capital contributions under any other law or administrative regulation) as long as the value of which can be assessed in currency and the ownership of which can be transferred in accordance with the law.

<Source> ^Pisacane 2018^:31

<Concept field> Foreign invested enterprises

<Related words> ^registered capital^

<Type of relation> general

<Equivalence en-zh> Between the terms “capital contribution” and “出资额” there is absolute conceptual equivalence

<zh> 出资额

<Morphosyntax> noun

<Style label> official

<Origin> loan word

<Source> ^NPC 1983^: art.11

<Lexica> Found in ^Xue 2006^

<Definition> 指股东所出的资金，作为公司营业的财政基础。

<Source> ^Xue 2006^

<Context> 合营企业的注册资本，是指为设立合营企业在登记管理机构登记的资本总额，应为合营各方认缴的出资额之和。

<Source> ^NPC 1983^: art.18

<Concept field> 外商投资企业

<Related words> ^注册资本^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> chairman of the board

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Pisacane 2018^:41

<Lexica> Found in ^Cambridge Business English Dictionary 2011^, ^Merriam-Webster 2016^

<Definition> the principal officer of a corporation who presides over its board of directors and oversees its activity (1) by bringing forward for discussion and action problems arising from conflict of interest, problems stressing financial stewardship, policy questions growing out of operating decisions and (2) by setting up sound board procedures and securing competent board members.

<Source> ^Merriam-Webster 2016^

<Context> A meeting of the LLCs' board of directors shall be convened and presided over by the chairman of the board. If the chairman of the board is unable to or fails to perform his duty, a meeting shall be convened and presided over by the vice-chairman of the board. If the vice-chairman of the board is unable or fails to perform his duty, a meeting may be convened or presided over by a director jointly designated by half or more of the directors.

<Source> ^Pisacane 2018^:67

<Concept field> Foreign invested enterprises

<Related words> ^board of directors^

<Type of relation> super.

<Related words> ^executive director^

<Type of relation> coord.

<Synonyms> The term “chairman of the board” is specifically used to indicate the highest authority within the board of directors, while the synonyms “chairman” and “chairperson” have a broader and more general meaning.

<Equivalence en-zh> Between the terms “chairman of the board” and “董事长” there is absolute conceptual equivalence

<en> chairman

<Morphosyntax> noun

<Usage label> common

<Synonymy> (>)

<Source> ^Yu 2019^:50

<Context> If the chairman is appointed by the Chinese party, the vice chairman will be appointed by the foreign party and vice versa. One director has one vote. The chairman is the legal individual who represents the EJV.

<Source> ^Yu 2019^:50

<en> chairperson

<Morphosyntax> noun

<Usage label> common

<Synonymy> (>)

<Source> ^Cambridge Business English Dictionary 2011^

<zh> 董事长

<Morphosyntax> noun

<Usage label> main term

<Style label> official

<Source> ^NPC 1993^: art.40

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 由董事会或常务董事会选举产生的公司法定代表人。

<Source> ^现代汉语词典 2012^:1167

<Context> 有限责任公司设立董事会的，股东会会议由董事会召集，董事长主持；董事长不能履行职务或者不履行职务的，由副董事长主持；副董事长不能履行职务或者不履行职务的，由半数以上董事共同推举一名董事主持。

<Source> ^NPC 1993^: art.40

<Concept field> 外商投资企业

<Related words> ^董事会^

<Type of relation> super.



<Related words> ^执行董事^

<Type of relation> coord.

<Synonyms> 《主席》一词的含义比《董事长》一词的含义更广泛，因为它还表明了在大股东、监事会和政府中的最高权力人。

<zh> 主席

<Morphosyntax> noun

<Usage label> common

<Synonymy> (>)

<Source> ^NPC 1993^: art.51

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> company

<Morphosyntax> noun

<Usage label> main term

<Source> ^Zhang 2016^:7

<Lexica> Found in ^Martin 2003^, ^Cambridge Business English Dictionary 2011^

<Definition> An association formed to conduct business or other activities in the name of the association. Most companies are incorporated and therefore have a legal personality distinct from those of their members. Shareholders and directors are generally protected when the company goes out of business.

<Source> ^Martin 2003^:98

<Context> As illustrated under the Company Law, a company in China as a business organization with legal personality may opt to take the form of a limited liability company or a company limited by shares, either of which is supposed to be a juristic person (with an independent personality, thus no longer being perceived and treated as an extended workbench of the government).

<Source> ^Zhang 2016^:8

<Concept field> Foreign invested enterprises

<Related words> enterprise

<Type of relation> super.

<Related words> ^limited liability corporation^, ^joint stock corporation^

<Type of relation> sub.

<Synonyms> Albeit often used interchangeably, the term “company” has a broader meaning than the synonym “corporation”, which indicates a specific type of company.

<Equivalence en-zh> Between the terms “company” and “公司” there is absolute conceptual equivalence

<en> corporation

<Morphosyntax> noun

<Usage label> common

<Synonymy> (<)

<Source> ^Zhang 2020^:236

<zh> 公司

<Morphosyntax> noun

<Style label> official

<Source> ^NPC 1993^: art.3

<Lexica> Found in ^现代汉语词典 2012^, ^Xue 2006^

<Definition> 依法设立，以营利为目的，独立承担民事责任的从事生产或服务性业务的经济实体。分为有限责任公司和股份有限公司。

<Source> ^现代汉语词典 2012^:1160

<Definition> 公司是企业法人，有独立的法人财产，享有法人财产权。公司以其全部财产对公司的债务承担责任。

<Source> ^NPC 1993^: art.3

<Context> 投资者设立企业或公司，是投资者运用资金或资本的方式，是投资者行使私法权利的具体形式；在认定投资行为的性质时，不应局限于公法或行政许可的角度，还应从私法和私权角度加以观察。

<Source> ^Ye 2012^:21

<Concept field> 外商投资企业

<Related words> 企业

<Type of relation> super.

<Related words> ^有限责任公司^, ^股份有限公司^, ^上市公司^

<Type of relation> sub.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> compensation

<Morphosyntax> noun

<Source> ^Zhang 2020^:211

<Lexica> Found in ^Cambridge Business English Dictionary 2011^, ^Martin 2003^

<Definition> Something that makes up for a loss.

<Source> ^Merriam-Webster 2016^:

<Context> Third, the expropriation, once needed, must follow the legal procedure, must be made on a non-discriminative basis, and compensation must be made promptly according to the market value. Fourth, the legal procedure and compensation applied to the expropriation equally applies to requisition, if any.

<Source> ^Zhang 2020^:212

<Concept field> Foreign invested enterprises

<Related words> ^requisition^, ^nationalization^, ^expropriation^

<Type of relation> general

<Equivalence en-zh> Between the terms “compensation” and “补偿” there is absolute conceptual equivalence

<zh> 补偿

<Morphosyntax> noun

<Style label> official

<Origin> loan word

<Source> ^NPC 2020^: art.20

<Lexica> Found in ^现代汉语词典 2012^, ^Si 1998^

<Definition> 又称“救济”。当权利受到侵害时,法律所规定的补救措施。

<Source> ^Si 1998^

<Context> 国家对外国投资者的投资不实行征收。在特殊情况下,国家为了公共利益的需要,可以依照法律规定对外国投资者的投资实行征收或者征用。征收、征用应当依照法定程序进行,并及时给予公平、合理的补偿。

<Source> ^NPC 2020^: art.20

<Concept field> 外商投资企业

<Related words> ^征收^, ^征用^, ^国有化^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> conciliation

<Morphosyntax> noun

<Source> ^Rich 1981^:201

<Lexica> Found in ^Martin 2003^

<Definition> A procedure of peaceful settlement of international disputes. The matter of dispute is referred to a standing or *ad hoc* commission of conciliation, appointed with the parties' agreement.

<Source> ^Martin 2003^

<Context> The law provides that disputes which the board of directors fail to settle through consultation may be settled through arbitration or conciliation in China.

<Source> ^Rich 1981^:201

<Concept field> Foreign invested enterprises

<Related words> ^arbitration^

<Type of relation> coord.

<Equivalence en-zh> Between the terms “conciliation” and “调解” there is absolute conceptual equivalence

<zh> 调解

<Morphosyntax> noun

<Style label> official

<Source> ^State Council 1983^: art. 97

<Lexica> Found in ^现代汉语词典 2012^, ^汉典 2021^

<Definition> 调停各方意见，平息纷争。法律上指法院就有争执的事件，劝谕双方庭外和解，避免诉讼行为。

<Source> ^汉典 2021^

<Context> 合营各方在解释或者履行合营企业协议、合同、章程时发生争议的，应当尽量通过友好协商或者调解解决。

<Source> ^State Council 1983^> ar.t 97

<Concept field> 外商投资企业

<Related words> ^仲裁^

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> convene

<Morphosyntax> verb

<Source> ^Pisacane 2018^:41

<Lexica> Found in ^Cambridge Business English Dictionary 2011^, ^Merriam-Webster 2016^

<Definition> To arrange for a group of people to come together for an official meeting.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> The Shareholders Meeting shall be convened and presided over by the Executive Director. Where the Board of Directors or the Executive Director is unable or fails to fulfill its or his duty to convene a Shareholders Meeting, the Board of Supervisors or, where there is no Board of Supervisors, a Supervisor of the company shall convene and preside over the meeting. Where the Board of Supervisors or Supervisor does not convene or preside over such a meeting, shareholders representing one-tenth or more of the voting rights may convene and preside over the meeting on their own initiative.

<Source> ^Pisacane 2018^:41

<Concept field> Foreign invested enterprises

<Related words> ^preside^

<Type of relation> coord.

<Related words> ^board of directors^, ^board of supervisors^, ^shareholder meeting^

<Type of relation> general

<Equivalence en-zh> Between the terms “convene” and “召集” there is absolute conceptual equivalence

<zh> 召集

<Morphosyntax> verb

<Style label> official

<Origin> loan word

<Source> ^NPC 1993^: art.38

<Lexica> Found in ^Cambridge Business English Dictionary 2011^

<Definition> 通知人们聚集起来。

<Source> ^现代汉语词典 2012^:5931

<Context> 有限责任公司设立董事会的，股东会会议由董事会召集，董事长主持；[...] 有限责任公司不设董事会的，股东会会议由执行董事召集和主持。董事会或者执行董事不能履行或者不履行召集股东会会议职责的，由监事会或者不设监事会的公司的监事召集和主持；监事会或者监事不召集和主持的，代表十分之一以上表决权的股东可以自行召集和主持。

<Source> ^NPC 1993^: art.40

<Concept field> 外商投资企业

<Related words> ^主持^

<Type of relation> coord.

<Related words> ^董事会^, ^监事会^, ^股东会^

<Type of relation> general

\*\*

<Subject> Law/Diritto  
 <Subfield> Business enterprises/Imprese  
 <en> dispute  
 <Morphosyntax> noun  
 <Source> ^Potter 1993^:22  
 <Lexica> Found in ^Cambridge Business English Dictionary 2011^, ^Merriam-Webster 2016^  
 <Definition> An argument or disagreement, especially an official one.  
 <Source> ^Cambridge Business English Dictionary 2011^  
 <Context> In the well-known Chinese tradition, the 1979 Law emphasizes the informal, face-saving methods of dispute resolution: consultation, conciliation and arbitration. Resort to these methods over litigation had the advantage, from the Chinese perspective, of allowing for a resolution of the dispute without labelling one party the winner, and the other, a loser.  
 <Source> ^Potter 1993^:22  
 <Concept field> Foreign invested enterprises  
 <Related words> ^arbitration^, ^conciliation^  
 <Type of relation> general  
 <Equivalence en-zh> Between the terms “dispute” and “纠纷” there is absolute conceptual equivalence  
  
 <zh> 纠纷  
 <Morphosyntax> noun  
 <Style label> official  
 <Source> ^NPC 1979^: art.16  
 <Lexica> Found in ^现代汉语词典 2012^  
 <Definition> 争执的事情。  
 <Source> ^现代汉语词典 2012^:2544  
 <Context> 合营各方发生纠纷，董事会不能协商解决时，由中国仲裁机构进行调解或仲裁，也可由合营各方协议在其它仲裁机构仲裁。  
 <Source> ^NPC 1979^: art.16  
 <Concept field> 外商投资企业  
 <Related words> ^仲裁^, ^调解^  
 <Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> dissolution

<Morphosyntax> noun

<Source> ^Pisacane 2018^:41

<Lexica> Found in ^Martin 2003^, ^Cambridge Business English Dictionary 2011^

<Definition 1> The act or process of ending an official organization or legal agreement.

<Source> ^Cambridge Business English Dictionary 2011^

<Definition 2> The dissolution of a corporation refers to the termination of the legal person identity of a corporation upon the occurrence of a certain event. The legal person identity of the corporation remains until the corporation is wound-up which may happen after dissolution.

<Source> ^Yu 2019^:37

<Context> A company shall be dissolved due to the following reasons: when the term of operation as specified in the company's articles of association expires or another cause of dissolution as specified in the company's articles of association arises; if the board of shareholders or general meeting resolves to dissolve the company; if dissolution is necessary as a result of the merger or division of the company; its business license has been revoked, or it is ordered to close down or to be revoked according to the law.

<Source> ^Pisacane 2018^:134

<Concept field> Foreign invested enterprises

<Related words> ^bankruptcy^, ^liquidation^

<Type of relation> coord.

<Equivalence en-zh> Between the terms “dissolution” and “解散” there is absolute conceptual equivalence

<zh> 解散

<Morphosyntax> noun

<Style label> official

<Origin> loan word



<Source> ^NPC 1993^: art.180

<Lexica> Found in ^现代汉语词典 2012^, ^Xue 2006^

<Definition> 公司的终止, 公司法人资格的终止, 如依法被撤销、许可期届满、破产等。

<Source> ^Xue 2006^

<Context> 公司因下列原因解散: 公司章程规定的营业期限届满或者公司章程规定的其他解散事由出现; 股东会或者股东大会决议解散; 因公司合并或者分立需要解散; 依法被吊销营业执照、责令关闭或者被撤销; 人民法院依照本法第一百八十二条的规定予以解散。

<Source> ^NPC 1993^: art.180

<Concept field> 外商投资企业

<Related words> ^破产^, ^清算^

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> divestiture

<Morphosyntax> noun

<Usage label> main term

<Source> ^Yu 2019^:34

<Lexica> Found in ^Cambridge Business English Dictionary 2011^

<Definition> A divestiture refers to when a corporation divests its properties to become two or more corporate entities.

<Source> ^Yu 2019^:34

<Context> [Divestitures] may take place in one of two forms. The first is a corporation that has divested a portion of its properties or business to form a new corporate entity or several new corporate entities. With such a divestiture, the corporation may still remain in existence. The second form of divestiture, also referred to as a dissolution divestiture, is a corporate act by which the original corporation, with all its properties, becomes two or more new corporations after divestiture and the original corporation is dissolved.

<Source> ^Yu 2019^:34-35

<Concept field> Foreign invested enterprises

<Related words> ^merger^, mergers and acquisitions

<Type of relation> coord.

<Equivalence en-zh> Between the terms “divestiture” and “分立” there is absolute conceptual equivalence

<en> (corporate) division

<Morphosyntax> noun

<Usage label> common

<Source> ^Pisacane 2018^:39

<Context> When a company is to be divided, it shall prepare a balance sheet and a schedule of property. The company shall notify its creditors within a period of 10 days commencing from the date on which the division resolution is passed and, within 30 days, make newspaper announcement of the division.

<Source> ^Pisacane 2018^:133

<Notes> In business, the term “division” has a second meaning: it also indicates one of the main separate parts that a company, or group of companies, is divided into.

<zh> (公司的) 分立

<Morphosyntax> noun

<Style label> official

<Origin> loan word

<Source> ^NPC 1993^: art.175

<Lexica> Found in ^Xue 2006^

<Definition> 一个公司分立为两个或两个以上的新公司，并将这些新设公司的股份分配给原公司的股东，而原公司解散，导致公司重组。例如，甲公司将其全部资产分别转让给新设立的乙公司和丙公司，并将由此而获得的对乙公司和丙公司的控股股份分配给甲公司的股东，以从这些股东手中换回甲公司的全部股份。通过这一过程，甲公司解散，其股东转为乙公司和丙公司的股东。

<Source> ^Xue 2006^

<Context> 公司分立，其财产作相应的分割。公司分立，应当编制资产负债表及财产清单。公司应当自作出分立决议之日起十日内通知债权人，并于三十日内在报纸上公告。

<Source> ^NPC 1993^: art. 175

<Concept field> 外商投资企业

<Related words> ^合并^, 并购

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> dividend

<Morphosyntax> noun

<Source> ^Yu 2019^:18

<Lexica> Found in ^Martin 2003^, ^Cambridge Business English Dictionary 2011^

<Definition> A payment declared either by the directors of a company or at the annual general meeting as being payable to shareholders from profits available for distribution. The payment is determined by reference to the terms of the share contract.

<Source> ^Martin 2003^:158

<Context> Shareholders vote according to the principle of one-share-one-vote and enjoy rights in proportion to the extent of their shareholding. Rights include the right to profit and the right to vote. The right to profit is the right to receive dividends and the right to receive a proportion of the residual property of the corporation upon liquidation.

<Source> ^Yu 2019^: 18

<Concept field> Foreign invested enterprises

<Related words> corporate finance

<Type of relation> super.

<Related words> interim dividend, final dividend

<Type of relation> sub.

<Equivalence en-zh> Between the terms “dividend” and “红利” there is absolute conceptual equivalence

<zh> 红利

<Morphosyntax> noun

<Style label> official

<Source> ^NPC 1993^: art.34

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 指企业分给股东的利润或分给职工的额外报酬。

<Source> ^现代汉语词典 2012^:1968

<Context> 股东按照实缴的出资比例分取红利；公司新增资本时，股东有权优先按照实缴的出资比例认缴出资。但是，全体股东约定不按照出资比例分取红利或者不按照出资比例优先认缴出资的除外。

<Source> ^NPC 1993^: art.34

<Concept field> 外商投资企业

<Related words> 公司财务

<Type of relation> super.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> domicile

<Morphosyntax> noun

<Source> ^Lo, Tian 2011^:25

<Lexica> Found in ^Martin 2003^, ^Cambridge Business English Dictionary 2011^

<Definition> The country in which a person or company lives or does business and has their legal address.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> The principal place of business of a company is its domicile.

<Source> ^Lo, Tian 2011^:45

<Concept field> Foreign invested enterprises

<Related words> ^company^

<Type of relation> general

<Equivalence en-zh> Between the terms “domicile” and “住所” there is absolute conceptual equivalence

<zh> 住所

<Morphosyntax> noun

<Style label> official

<Origin> loan word

<Source> ^NPC 1993^: art.10

<Lexica> Found in ^现代汉语词典 2012^, ^Xue 2006^

<Definition> 居住的处所(多指住户的)。

<Source> ^现代汉语词典 2012^:6138

<Definition 2> 指法律认定的公司事务中心所在地。与自然人住所不同的是，公司不能任意变更其住所。

<Source> ^Xue 2006^

<Context> 公司以其主要办事机构所在地为住所。

<Source> ^NPC 1993^: art.10

<Concept field> 外商投资企业

<Related words> ^公司^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> enterprise credit information publicity system

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Zhang 2020^:226

<Definition> The enterprise credit information publicity system (ECIPS) is a national information system managed by the SAMR and its local branches at the provincial level. It provides public access electronically to official registration data for all legal entities in China. The registration data also contains names of key individuals such as the legal representative, private shareholders and key staff defined as a board member, CEO, supervisor, general manager, and legal representative. The information available in the system contains three

categories: enterprise credibility information, list of business operation anomalies, and list of enterprises with serious illegal and dishonest acts.

<Source> ^Zhang 2020^:226

<Concept field> Foreign invested enterprises

<Related words> enterprise registration system

<Type of relation> coord.

<Related words> foreign investment management

<Type of relation> super.

<Equivalence en-zh> Between the terms “enterprise credit information publicity system” and “国家企业信用信息公示系统” there is absolute conceptual equivalence

<en> ECIPS

<Morphosyntax> noun

<Category> initials

<Usage label> uncommon

<Source> ^Zhang 2020^:226

<Variant of> enterprise credit information publicity system

<zh> 国家企业信用信息公示系统

<Morphosyntax> noun group

<Style label> official

<Source> ^NPC 2020^: art.34

<Definition> 是指全国企业信用信息公示的系统，于2014年2月上线运行。系统公示的主要内容包括：市场主体的注册登记、许可审批、年度报告、行政处罚、抽查结果、经营异常状态等信息。（不含港、澳、台地区企业信息）

<Source> ^百度百科 2021^

<Context> 国家建立外商投资信息报告制度。外国投资者或者外商投资企业应当通过企业登记系统以及企业信用信息公示系统向商务主管部门报送投资信息。外商投资信息报告的内容和范围按照确有必要原则确定；通过部门信息共享能够获得的投资信息，不得再行要求报送。

<Source> ^NPC 2020^: art.34

<Concept field> 外商投资企业  
<Related words> 企业登记系统  
<Type of relation> coord.  
<Related words> 投资管理  
<Type of relation> super.

\*\*

<Subject> Law/Diritto  
<Subfield> Business enterprises/Imprese  
<en> establish  
<Morphosyntax> verb  
<Source> ^Zhang 2020^:182  
<Lexica> Found in ^Cambridge Business English Dictionary 2011^  
<Definition> To start a company or organization that will continue for a long time  
<Source> ^Cambridge Business English Dictionary 2011^  
<Context> Based on the pre-entry national treatment, a foreign investor generally has three options: (a) If the foreign investor is to establish an FIE in the form of a company, the registration shall be made under the provision of Chinese Company Law; (b) If the foreign investor chooses to take a nonlegal person status, its investment may be registered as a nonlegal person business entity; or (c) if the foreign investor wants to become a shareholder by acquiring the stocks or shares of an existing company or enterprise, then no registration is needed.  
<Source> ^Zhang 2020^:206  
<Concept field> Foreign invested enterprises  
<Related words> ^company^, corporation  
<Type of relation> general  
<Related words> ^establishment by sponsorship^, ^establishment by public share offer^  
<Type of relation> sub.  
<Equivalence en-zh> Between the terms “establish” and “设立” there is absolute conceptual equivalence

<zh> 设立

<Morphosyntax> verb

<Style label> official

<Origin> loan word

<Source> ^NPC 1993^: art.6

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 成立; 建立(组织、机构等)

<Source> ^现代汉语词典 2012^:4133

<Context> 设立公司, 应当依法向公司登记机关申请设立登记。符合本法规定的设立条件的, 由公司登记机关分别登记为有限责任公司或者股份有限公司; 不符合本法规定的设立条件的, 不得登记为有限责任公司或者股份有限公司。法律、行政法规规定设立公司必须报经批准的, 应当在公司登记前依法办理批准手续。公众可以向公司登记机关申请查询公司登记事项, 公司登记机关应当提供查询服务。

<Source> ^NPC 1993^: art.6

<Concept field> 外商投资企业

<Related words> ^公司^, 企业

<Type of relation> general

<Related words> ^募集设立^, ^发起设立^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> establishment by public share offer

<Morphosyntax> noun group

<Source> ^Yu 2019^:152

<Definition> Establishment by public share offer means establishment of the corporation through subscription by sponsors for part of the shares to be issued by the corporation and public placement of the remaining shares.

<Source> ^Yu 2019^:152



<Context> If a company limited by shares is established by means of share offer, the shares subscribed for by the promoters may not be less than 35% of the total number of company shares, unless where there are other stipulations in laws and administrative regulations, such stipulations shall prevail.

<Source> ^Pisacane 2018^:115

<Concept field> Foreign invested enterprises

<Related words> ^joint stock corporation^

<Type of relation> general.

<Related words> ^establish^

<Type of relation> super.

<Related words> ^establishment by sponsorship^

<Type of relation> coord.

<Equivalence en-zh> Between the terms “establishment by public share offer” and “募集设立” there is absolute conceptual equivalence

<zh> 募集设立

<Morphosyntax> noun group

<Style label> official

<Origin> hybrid

<Source> ^NPC 1993^: art.77

<Definition> 募集设立是指由发起人认购公司应发行股份的一部分，其余股份向社会公开募集或者向特定对象募集而设立公司。

<Source> ^NPC 1993^: art.77

<Context> 以募集设立方式设立股份有限公司的，发起人认购的股份不得少于公司股份总数的百分之三十五；但是，法律、行政法规另有规定的，从其规定。

<Source> ^NPC 1993^: art.84

<Concept field> 外商投资企业

<Related words> ^股份有限公司^

<Type of relation> general.

<Related words> ^设立^

<Type of relation> super.

<Related words> ^发起设立^

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> establishment by sponsorship

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Yu 2019^:152

<Definition> Establishment by sponsorship means establishment of the corporation through subscription by the sponsors for all the shares to be issued by the corporation.

<Source> ^Yu 2019^:152

<Context> In the case of establishing a joint stock limited corporation by public share offer the shares subscribed for by the sponsors shall be not less than 35 percent of the total number of shares of the corporation and the remaining shares shall be openly offered to the public. In offering shares to the public, the sponsors shall deliver an application for public share offer to the securities regulatory authority under the State Council.

<Source> ^Yu 2019^:154

<Concept field> Foreign invested enterprises

<Related words> ^joint stock corporation^

<Type of relation> general.

<Related words> ^establish^

<Type of relation> super.

<Related words> ^establishment by public share offer^

<Type of relation> coord.

<Equivalence en-zh> Between the terms “establishment by sponsorship” and “发起设立” there is absolute conceptual equivalence

<en> establishment by promotion

<Morphosyntax> noun group

<Usage label> common

<Synonymy> (~)

<Source> ^Pisacane 2018^:114

<zh> 发起设立

<Morphosyntax> noun group

<Style label> official

<Origin> hybrid

<Source> ^NPC 1993^: art.77

<Definition> 发起设立是指由发起人认购公司应发行的全部股份而设立公司。

<Source> ^NPC 1993^: art.77

<Context> 以发起设立方式设立股份有限公司的，发起人应当书面认足公司章程规定其认购的股份，并按照公司章程规定缴纳出资。以非货币财产出资的，应当依法办理其财产权的转移手续。发起人不依照前款规定缴纳出资的，应当按照发起人协议承担违约责任。发起人认足公司章程规定的出资后，应当选举董事会和监事会，由董事会向公司登记机关报送公司章程以及法律、行政法规规定的其他文件，申请设立登记。

<Source> ^NPC 1993^: art.83

<Concept field> 外商投资企业

<Related words> ^股份有限公司^

<Type of relation> general.

<Related words> ^设立^

<Type of relation> super.

<Related words> ^募集设立^

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> executive director

<Morphosyntax> noun group

<Source> ^Yu 2019^:21

<Lexica> Found in ^Cambridge Business English Dictionary 2011^

<Definition> An important manager in a company or organization who is involved in organizing its daily activities.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> An LLC that is small in scale or with a limited number of shareholders, and has not established a board of directors, may have one executive director.

<Source> ^Yu 2019^:21

<Concept field> Foreign invested enterprises

<Related words> corporate governance, ^board of directors^

<Type of relation> super.

<Equivalence en-zh> Between the terms “executive director” and “执行董事” there is absolute conceptual equivalence

<zh> 执行董事

<Morphosyntax> noun group

<Style label> official

<Source> ^NPC 1993^: art.40

<Lexica> Found in ^Zou 1991^

<Definition> 由董事会从董事中选出的执行业务和代表公司的机构。非董事者不能担任执行董事。

<Source> ^Zou 1991^

<Context> 股东人数较少或者规模较小的有限责任公司，可以设一名执行董事，不设董事会。执行董事可以兼任公司经理。执行董事的职权由公司章程规定。

<Source> ^NPC 1993^: art.50

<Concept field> 外商投资企业

<Related words> ^董事会^

<Type of relation> super.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> expropriation

<Morphosyntax> verb

<Source> ^Powell 1987^:147

<Lexica> Found in ^Martin 2003^, ^Cambridge Business English Dictionary 2011^

<Definition> Expropriation generally refers to property-specific or enterprise-specific takings where the property rights remain with the State or are transferred by the State to other economic operators. Expropriations may consist of a large-scale taking of land by the State, made with the purpose of redistributing it, or specific takings where the target is a specific foreign firm (for example, a firm dominating a market or industry) or a specific plot of land (for example, to build a highway).

<Source> ^UNCTAD 2012^:5-6

<Context> Article 5 underlies China's conflicting desires to retain tight control over Foreign Enterprises while attempting to provide the protection that foreign investors demand. The article states simply that "the State will not nationalize or carry out expropriation of Foreign Enterprises. This article, however, further provides that in "special circumstances" the State may carry out expropriation, as long as it compensates the enterprise.

<Source> ^Powell 1987^:147-148

<Concept field> Foreign invested enterprises

<Related words> ^nationalization^, ^requisition^

<Type of relation> coord.

<Equivalence en-zh> Between the terms “expropriation” and “征收” there is absolute conceptual equivalence

<zh> 征收

<Morphosyntax> noun

<Style label> official

<Source> ^NPC 1986^: art.5

<Lexica> Found in ^现代汉语词典 2012^, ^Si 1998^

<Definition> 国家依照法律的规定将公民、法人的某项财产收归国有的行为。为国家取得财产所有权的一种方式。也是实行国有化的一种措施。征收是通过一定的行为进行

的。征收的主体有一方必须是国家。国家实行征收,一般都依据国家颁布的法令。被征收的财产可以是我国的公民、法人的财产,也可以是在我国境内的属于外国法人或自然人的财产。国家征收采取的是强制无条件的方式。对属于外国法人或自然人财产的征收,国家有权不予补偿,或者仅给予适当的或合理的补偿。

<Source> ^Si 1998^

<Context> 国家对外资企业不实行国有化和征收;在特殊情况下,根据社会公共利益的需要,对外资企业可以依照法律程序实行征收,并给予相应的补偿。

<Source> ^NPC 1986^: art5

<Concept field> 外商投资企业

<Related words> ^国有化^, ^征用^

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> feasibility study

<Morphosyntax> noun group

<Source> ^Potter 1993^:17

<Lexica> Found in ^Cambridge Business English Dictionary 2011^, ^Merriam-Webster 2016^

<Definition> An investigation carried out by a company or other organization that examines whether a planned business activity or project is likely to be successful.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> In order to obtain initial government approval, the Chinese joint venture partner submits a project proposal and a feasibility study of the proposed joint venture. A good deal of attention must be given to these documents, as they form the basis for the parties to "sell" the proposed joint venture" as beneficial to China's economy and as satisfying one of the above-mentioned justifications for the joint venture.

<Source> ^Potter 1993^:17

<Concept field> Foreign invested enterprises

<Related words> registration, project proposal

<Type of relation> general

<Equivalence en-zh> Between the terms “feasibility study” and “可行性研究” there is absolute conceptual equivalence

<zh> 可行性研究

<Morphosyntax> noun group

<Style label> official

<Origin> hybrid

<Source> ^State Council 1983^: art.7

<Lexica> Found in ^Chen 2001^

<Definition> 对所研制系统能否适应环境和资源制约条件并取得预期效果的综合分析研究工作。它是权衡决策的重要依据。可行性研究涉及的内容很广,并随项目的性质和要求不同而有所侧重。

<Source> ^Chen 2001^

<Context> 设立合作企业,应当由中国合作者向审查批准机关报送下列文件:设立合作企业的项目建议书,并附送主管部门审查同意的文件;合作各方共同编制的可行性研究报告,并附送主管部门审查同意的文件;由合作各方的法定代表人或其授权的代表签署的合作企业协议、合同、章程; [...]

<Source> ^State Council 1983^: art.7

<Concept field> 外商投资企业

<Related words> 登记, 项目建议书

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> financing

<Morphosyntax> noun

<Source> ^Pisacane 2018^:16

<Lexica> Found in ^Cambridge Business English Dictionary 2011^, ^Merriam-Webster 2016^

<Definition> Money that a person or company borrows for a particular purpose, or the process of getting this money or arranging for it to be paid

<Source> ^Cambridge Business English Dictionary 2011^

<Context> The shareholders have the right to decide in the articles of association the proportion in which profits will be distributed and such proportion may be different from the proportion of shareholding. This guarantees remarkable flexibility in the financing of LLCs.

<Source> ^Pisacane 2018^:29

<Concept field> Foreign invested enterprises

<Related words> corporate finance

<Type of relation> general

<Equivalence en-zh> Between the terms “financing” and “融资” there is absolute conceptual equivalence

<zh> 融资

<Morphosyntax> noun

<Style label> official

<Origin> loan word

<Source> ^NPC 2020^: art.17

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 通过借贷、租赁、集资等方式而得以融合并流通的资金。

<Source> ^现代汉语词典 2012^:3946

<Context> 外商投资企业可以依法通过公开发行股票、公司债券等证券和其他方式进行融资。

<Source> ^NPC 2020^: art.17

<Concept field> 外商投资企业

<Related words> 企业财务

<Type of relation> general

\*\*



<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> force majeure

<Morphosyntax> noun group

<Origin> loan word

<Source> ^Rich 1981^:203

<Lexica> Found in ^Merriam-Webster 2016^, ^Martin 2003^

<Definition> used particularly in commercial contracts to describe events possibly affecting the contract and that are completely outside the parties' control. Such events are normally listed in full to ensure their enforceability; they may include acts of God, fires, failure of suppliers or subcontractors to supply the supplier under the agreement, and strikes and other labour disputes that interfere with the supplier's performance of an agreement. An express clause would normally excuse both delay and a total failure to perform the agreement.

<Source> ^Martin 2003^:108

<Context> The law mentions three specific circumstances in which the venture may be terminated prematurely: "heavy losses," failure by either side to perform its obligations, and "force majeure." These circumstances should be supplemented in the contract by others agreed upon by the parties.

<Source> ^Rich 1981^:203

<Concept field> Foreign invested enterprises

<Related words> ^dissolution^

<Type of relation> super.

<Related words> act of God

<Type of relation> coord.

<Equivalence en-zh> Between the terms "force majeure" and "不可抗力" there is absolute conceptual equivalence

<zh> 不可抗力

<Morphosyntax> noun

<Style label> official

<Origin> loan word

<Source> ^NPC 1979^: art.14

<Lexica> Found in ^现代汉语词典 2012^, ^Xue 2006^

<Definition> 法律上指在当时的条件下人力所不能抵抗的破坏力，如洪水、地震等。因不可抗力而发生的损害，不追究法律责任。

<Source> ^现代汉语词典 2012^:435

<Context> 合营企业如发生严重亏损、一方不履行合同和章程规定的义务、不可抗力等，经合营各方协商同意，报请审查批准机关批准，并向国家工商行政管理主管部门登记，可终止合同。如果因违反合同而造成损失的，应由违反合同的一方承担经济责任。

<Source> ^NPC 1979^: art.14

<Concept field> 外商投资企业

<Related words> ^解散^

<Type of relation> super.

<Related words> 天灾

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> foreign invested enterprise

<Morphosyntax> noun group

<Source> ^Lo, Tian 2011^:88

<Lexica> Found in ^Reuters 2021^

<Definition> Enterprises registered and established in China wholly or partly invested by foreign investors.

<Source> ^Reuters 2021^

<Context> Equity joint ventures, cooperative joint ventures and wholly foreign-owned enterprises are collectively referred to as foreign invested enterprises, are Chinese legal persons and the core instruments for foreign direct investment in China.

<Source> ^Lo, Tian 2011^:88

<Concept field> Foreign invested enterprises

<Related words> ^Sino-foreign equity joint venture^, ^Sino-foreign contractual joint venture^,  
^Wholly foreign-owned enterprise^

<Type of relation> sub.

<Equivalence en-zh> Between the terms “foreign invested enterprise” and “外商投资企业”  
there is absolute conceptual equivalence

<zh> 外商投资企业

<Morphosyntax> noun group

<Style label> official

<Origin> hybrid

<Source> ^NPC 2020^: art.2

<Definition> 全部或者部分由外国投资者投资，依照中国法律在中国境内经登记注册设  
立的企业。

<Source> ^ NPC 2020^: art.2

<Context> 为了吸引外资以及促进国民经济发展，国家在土地、税收、外汇等方面给予  
外商投资企业多种优惠，形成了外商投资企业生存的独特政策优。

<Source> ^Ye 2012^:17

<Concept field> 外商投资企业

<Related words> ^中外合资经营企业^, ^中外合作经营企业^, ^外资经营企业^

<Type of relation> sub.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> Foreign invested partnership enterprise

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Kuntner 2021^:4

<Lexica> Found in ^Reuters 2021^

<Definition> A foreign invested partnership enterprise is a partnership entity established by two or more foreign enterprises or individuals, and foreign enterprises or individuals and a Chinese natural person, legal person and other organizations in China.

<Source> ^Zhang 2020^:210

<Context> The FIPE was regulated by the same law as the domestic partnership enterprise from the beginning and governed by administrative legislation that also fell under that same law. To a large extent, the same provisions therefore apply to domestic and foreign-invested partnership enterprises. In this regard, the legal framework that governs the FIPE can be seen as a blueprint for the fundamental reform of unifying the application of the Company Law and PEL, as was implemented by the FIL.

<Source> ^Kuntner 2021^: 124

<Concept field> Foreign invested enterprises

<Related words> ^general partnership enterprise^, ^limited partnership enterprise^, ^specialized general partnership enterprise^

<Type of relation> coord.

<Related words> ^partnership enterprise^

<Type of relation> super.

<Equivalence en-zh> Between the terms “Foreign invested partnership enterprise” and “外商投资合伙企业” there is absolute conceptual equivalence

<en> FIPE

<Morphosyntax> noun

<Category> initials

<Usage label> common

<Source> ^Zhang 2020^:210

<Variant of> Foreign invested partnership enterprise

<Context> Compared with other FIE forms, the FIPE is viewed to have several attractive aspects, including, among others, flexibility in management, governance, and distribution of profits; simplified registration process; and elimination of double taxation. However, there are certain limitations on the establishment of a FIPE. For example, under the 2019 Negative List, no FIPE may be established in the investment areas where equity shares are required. The

investment areas as such refers to the sectors in the Negative List that require the controlling shares of Chinese company or certain ratio of shares owned by foreign investors.

<Source> ^Zhang 2020^:210

<zh> 外商投资合伙企业

<Morphosyntax> noun group

<Style label> official

<Origin> hybrid

<Source> ^SAIC 2010^: art.2

<Definition> 外商投资合伙企业是指 2 个以上外国企业或者个人在中国境内设立的合伙企业，以及外国企业或者个人与中国的自然人、法人和其他组织在中国境内设立的合伙企业。

<Source> ^SAIC 2010^: art.2

<Context> 外商投资合伙企业的登记事项包括：名称；主要经营场所；执行事务合伙人；经营范围；合伙企业类型；合伙人姓名或者名称、国家（地区）及住所、承担责任方式、认缴或者实际缴付的出资数额、缴付期限、出资方式和评估方式。合伙协议约定合伙期限的，登记事项还应当包括合伙期限。执行事务合伙人是外国企业、中国法人或者其他组织的，登记事项还应当包括外国企业、中国法人或者其他组织委派的代表。

<Source> ^SAIC 2010^: art. 7

<Concept field> 外商投资企业

<Related words> ^普通合伙企业^, ^有限合伙企业^, ^特殊的普通合伙企业^

<Type of relation> coord.

<Related words> ^合伙企业^

<Type of relation> super.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> foreign investment

<Morphosyntax> noun group

<Source> ^Zhang 2020^:181

<Lexica> Found in ^Cambridge Business English Dictionary 2011^

<Definition> investment in shares and other assets of another country.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> In accordance with Article 2 of the FIL, foreign investment activities may take four different forms: (a) foreign investors, alone or jointly, establish foreign invested enterprises in China; (b) foreign investors obtain shares, equity, property share, or other similar rights and interests of enterprises within the territory of China; (c) foreign investors, alone or jointly, invest in new projects in China; and (d) investments made in other means prescribed by laws, administrative regulations or specified by the State Council.

<Source> ^Zhang 2020^:190

<Concept field> Foreign invested enterprises

<Related words> ^foreign invested enterprise^, foreign investor, FDI

<Type of relation> sub.

<Equivalence en-zh> Between the terms “foreign investment” and “外国投资” there is absolute conceptual equivalence

<zh> 外国投资

<Morphosyntax> noun group

<Usage label> main term

<Style label> official

<Origin> loan word

<Source> ^MOFCOM 2015^: art.7

<Lexica> Found in ^Han, Ma 1993^

<Definition> 又称国际投资，是指各国企业、个人或政府所进行的超出本国疆界的投资。

<Source> ^Han, Ma 1993^

<Context> 国家制定和实施与社会主义市场经济相适应的外国投资促进政策，推动投资便利化，建立健全统一开放、竞争有序的市场体系。

<Source> ^MOFCOM 2015^: art.7

<Concept field> 外商投资企业

<Related words> ^外商投资企业^, 外国投资者

<Type of relation> sub.

<zh> 外商投资

<Morphosyntax> noun group

<Usage label> common

<Style label> official

<Origin> hybrid

<Synonymy> (~)

<Source> ^NPC 2020^: art.1

<Context> 本法所称外商投资，是指外国的自然人、企业或者其他组织直接或者间接在中国境内进行的投资活动，包括下列情形：外国投资者单独或者与其他投资者共同在中国境内设立外商投资企业；外国投资者取得中国境内企业的股份、股权、财产份额或者其他类似权益；外国投资者单独或者与其他投资者共同在中国境内投资新建项目；法律、行政法规或者国务院规定的其他方式的投资。

<Source> ^NPC 2020^: art.2

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> general manager

<Morphosyntax> noun group

<Source> ^Lo, Tian 2011^:48

<Lexica> Found in ^Cambridge Business English Dictionary 2011^

<Definition> A person who is in charge of all or part of an organization or company.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> The general manager of both a limited liability company and a company limited by shares is to be appointed or dismissed by the board of directors. The general manager may attend the meetings of the board of directors.

<Source> ^Lo, Tian 2011^:50

<Concept field> Foreign invested enterprises

<Related words> ^board of directors^

<Type of relation> general

<Equivalence en-zh> Between the terms “general manager” and “总经理” there is absolute conceptual equivalence

<zh> 总经理

<Morphosyntax> noun

<Style label> official

<Source> ^NPC 1979^: art.6

<Lexica> Found in ^Xue 2006^

<Definition> 公司的主要职员，有权对公司事务进行全面管理和控制，在公司业务范围内可以进行任何活动，作出任何决定。

<Source> ^Xue 2006^

<Context> 董事会的职权是按合营企业章程规定，讨论决定合营企业的一切重大问题：企业发展规划、生产经营活动方案、收支预算、利润分配、劳动工资计划、停业，以及总经理、副总经理、总工程师、总会计师、审计师的任命或聘请及其职权和待遇等。正副总经理（或正副厂长）由合营各方分别担任。

<Source> ^NPC 1979^: art.6

<Concept field> 外商投资企业

<Related words> ^董事会^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> general partner

<Morphosyntax> noun group

<Source> ^Lin, Yeo 2010^:104

<Lexica> Found in ^Martin 2003^, ^Cambridge Business English Dictionary 2011^

<Definition 1> A member of a partnership [...] who shares its profits and must pay its debts if it goes bankrupt.

<Source> ^Cambridge Business English Dictionary 2011^



<Definition 2> General partners are jointly and severally liable for the debts of the LP with the limited partners only liable to the extent of their capital contributions. The general partners exercise control over the day-to-day management of the LP while the limited partners must desist from participation in management activities in order to remain under the limited liability shield.

<Source> ^Lin, Yeo 2010^:104

<Context> The LPE is managed by the general partner, who bears the unlimited liability. However, it is possible to structure the LPE so that the general partner is a legal person with limited liability. This allows the investor to limit his liability eventually, even though he acts as the general partner.

<Source> ^Kuntner 2021^:162

<Concept field> Foreign invested enterprises

<Related words> ^limited partner^

<Type of relation> coord.

<Related words> ^partnership enterprise^

<Type of relation> super.

<Equivalence en-zh> Between the terms “general partner” and “普通合伙人” there is absolute conceptual equivalence

<zh> 普通合伙人

<Morphosyntax> noun group

<Style label> official

<Source> ^NPC 1997^: art.2

<Lexica> Found in ^Xue 2006^

<Definition> 指在普通合伙中的合伙人；也指在有限合伙中完全参与合伙组织的经营管理，分享利益，分担亏损，并以个人财产对合伙组织的全部债务承担责任的合伙人。

<Source> ^Xue 2006^

<Context> 国有独资公司、国有企业、上市公司以及公益性的事业单位、社会团体不得成为普通合伙人。

<Source> ^NPC 1997^: art.3

<Concept field> 外商投资企业

<Related words> ^有限合伙人^

<Type of relation> coord.

<Related words> ^合伙企业^

<Type of relation> super.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> general partnership enterprise

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Lo, Tian 2011^:30

<Lexica> Found in ^Cambridge Business English Dictionary 2011^

<Definition> A general partnership enterprise is a company that is owned by two or more general partners who share its profits and must pay its debts if it goes bankrupt.

<Source> ^Cambridge Business English Dictionary 2011^

<Context>For the establishment of a general partnership enterprise, the following requirements must be met. First, there must be two or more partners. If a partner is a natural person, it must have full capacity for civil conduct. Second, there is a written partnership agreement. Third, there is the capital actually paid or undertaken to be contributed by each partner. Fourth, the partnership has a name and a production or business site. Fifth, the partnership has met other requirements prescribed by laws or administrative regulations.

<Source> Lo, Tian 2011^:30

<Concept field> Foreign invested enterprises

<Related words> ^limited partnership enterprise^, ^foreign invested partnership enterprise^, ^specialized general partnership enterprise^

<Type of relation> coord.

<Related words> ^partnership enterprise^

<Type of relation> super.

<Equivalence en-zh> Between the terms “general partnership enterprise” and “普通合伙企业” there is absolute conceptual equivalence

<en> GPE

<Morphosyntax> noun

<Category> initials

<Usage label> common

<Source> ^Kuntner 2021^:158

<Variant of> General partnership enterprise

<Context> A GPE is exclusively formed by general partners. Each general partner bears unlimited joint and several liability with his personal property for the debts of the partnership enterprise.

<Source> ^Kuntner 2021^:158

<zh> 普通合伙企业

<Morphosyntax> noun group

<Usage label> main term

<Style label> official

<Origin> hybrid

<Source> ^NPC 1997^: art.2

<Lexica> Found in ^Xue 2006^

<Definition 1> 指全体合伙人均参与合伙组织的经营管理，共担风险、共享利益的一种合伙。

<Source> ^Xue 2006^

<Definition 2> 普通合伙企业由普通合伙人组成，合伙人对合伙企业债务承担无限连带责任。

<Source> ^NPC 1997^: art.2

<Context> 。相对于普通合伙企业而言，有限合伙的稳定性强，有限合伙人的死亡、破产等对合伙并不产生实质性影响，而在普通合伙中，一旦有合伙人死亡或退出，合伙一般宣告解散。另外，有限合伙不能随便抽回出资，这使得有限合伙企业在经济基础上具有了相当的稳定性。

<Source> ^Zhao 2010^:67

<Concept field> 外商投资企业

<Related words> ^有限合伙企业^, ^外商投资合伙企业^, ^特殊的普通合伙企业^

<Type of relation> coord.  
<Related words> ^合伙企业^  
<Type of relation> super.

<zh> 普通合伙  
<Morphosyntax> noun group  
<Category> short form  
<Usage label> common  
<Source> ^Zhao 2010^:67  
<Variant of> 普通合伙企业

\*\*

<Subject> Law/Diritto  
<Subfield> Business enterprises/Imprese  
<en> gross profit  
<Morphosyntax> noun group  
<Source> ^Rich 1981^:202  
<Lexica> Found in ^Cambridge Business English Dictionary 2011^  
<Definition> A company's profit from selling goods or services before costs not directly related to producing them, for example interest payments and tax, are subtracted.  
<Source> ^Cambridge Business English Dictionary 2011^  
<Context> In Chinese practice, gross profit is defined as income less costs; net profit is calculated as gross profit less tax and other mandatory contributions.  
<Source> ^Rich 1981^:202  
<Concept field> Foreign invested enterprises  
<Related words> corporate finance  
<Type of relation> super.  
<Related words> ^net profit^  
<Type of relation> coord.  
<Equivalence en-zh> Between the terms “gross profit” and “毛利润” there is absolute conceptual equivalence

<zh> 毛利润

<Morphosyntax> noun

<Usage label> main term

<Style label> official

<Origin> hybrid

<Source> ^NPC 1979^: art.8

<Lexica> Found in ^Xue 2006^

<Definition> 销售收入和所售商品成本的差额，未扣减销售费用和所得税。

<Source> ^Xue 2006^

<Context> 合营企业获得的毛利润，按中华人民共和国税法规定缴纳合营企业所得税后，扣除合营企业章程规定的储备基金、职工奖励及福利基金、企业发展基金，净利润根据合营各方注册资本的比例进行分配。

<Source> ^NPC 1979^: art.8

<Concept field> 外商投资企业

<Related words> 企业财务

<Type of relation> super.

<Related words> ^净利润^

<Type of relation> coord.

<zh> 毛利

<Morphosyntax> noun

<Category> short form

<Usage label> common

<Source> ^Xue 2006^

<Variant of> 毛利润

\*\*

<Subject> Law/Diritto  
 <Subfield> Business enterprises/Imprese  
 <en> industrial property  
 <Morphosyntax> noun group  
 <Source> ^Yu 2019^:60  
 <Lexica> Found in ^Cambridge Business English Dictionary 2011^, ^Merriam-Webster 2016^  
 <Definition> Intangible property rights (as ownership of a trademark or patent) connected with agriculture, commerce, and industry.  
 <Source> ^Merriam-Webster 2016^  
 <Context> The law states that industrial property or proprietary technologies provided by foreign shareholders must ‘markedly’ improve the performance and quality of existing products, increase productivity and ‘notably’ conserve raw material, fuel, energy, and power.  
 <Source> ^Yu 2019^:62  
 <Concept field> Foreign invested enterprises  
 <Related words> ^intellectual property^  
 <Type of relation> super.  
 <Related words> ^patent^, ^trademark^  
 <Type of relation> sub.  
 <Related words> ^technology transfer^, ^royalty^  
 <Type of relation> general  
 <Equivalence en-zh> Between the terms “industrial property” and “工业产权” there is absolute conceptual equivalence  
  
 <zh> 工业产权  
 <Morphosyntax> noun group  
 <Style label> official  
 <Origin> hybrid  
 <Source> ^State Council 1983^: art.22  
 <Lexica> Found in ^现代汉语词典 2012^  
 <Definition> 对法律所确认的新技术和经济管理成果享有的权利，主要包括专利权、商标权，是知识产权的组成部分。  
 <Source> ^现代汉语词典 2012^:1649

<Context> 作为外国合营者出资的工业产权或者专有技术，必须符合下列条件之一：能显著改进现有产品的性能、质量，提高生产效率的；能显著节约原材料、燃料、动力的。

<Source> ^State Council 1983^: art.25

<Concept field> 外商投资企业

<Related words> ^知识产权^

<Type of relation> super.

<Related words> ^专利^, ^商标^

<Type of relation> sub.

<Related words> ^技术转让^, ^使用费^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> insurance

<Morphosyntax> noun

<Usage label> main term

<Source> ^Rich 1981^:207

<Lexica> Found in ^Martin 2003^, ^Merriam-Webster 2016^

<Definition> A contract in which one party (the insurer) agrees for payment of a consideration (the premium) to make monetary provision for the other (the insured) upon the occurrence of some event or against some risk. For such contracts to be enforceable, there must be some element of uncertainty about the events insured against and the insured must have an insurable interest in the subject matter of the contract.

<Source> ^Martin 2003^:256

<Context> The law directs a joint venture to open an account with the Bank of China and to obtain "appropriate" insurance from Chinese insurance companies. [...] Also, the joint venture law requires only the venture itself to obtain insurance in China; the foreign partner remains free to insure its share in the enterprise with foreign insurers.

<Source> ^Rich 1981^:208

<Concept field> Foreign invested enterprises

<Related words> insurance fee, labor insurance

<Type of relation> general

<Related words> indemnity insurance, contingency insurance

<Type of relation> sub.

<Synonyms> The synonym “assurance” has the same meaning as the term “insurance” but is generally used in relation to events that will definitely happen at some time or another (especially death), whereas insurance refers to events that may or may not happen.

<Equivalence en-zh> Between the terms “insurance” and “保险” there is absolute conceptual equivalence

<en> assurance

<Morphosyntax> noun

<Usage label> common

<Synonymy> (~)

<Source> ^Martin 2003^:256

<zh> 保险

<Morphosyntax> noun

<Style label> official

<Origin> loan word

<Source> ^NPC 1986^: art.12

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 集中分散的社会资金，补偿因自然灾害、意外事故或人身伤亡而造成的损失的方法。参加保险的人或单位，向保险机构按期缴纳一定数量的费用，保险机构对在保险责任范围内所受的损失负赔偿责任。

<Source> ^现代汉语词典 2012^:211

<Context> 外资企业的各项保险应当向中国境内的保险公司投保。

<Source> ^NPC 1986^: art.16

<Concept field> 外商投资企业

<Related words> 投保, 劳动保险, 保险费



<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> intellectual property

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Zhang 2020^:210

<Lexica> Found in ^Martin 2003^, ^Merriam-Webster 2016^

<Definition> Property that derives from the work of the mind or intellect, specifically: an idea, invention, trade secret, process, program, data, formula, patent, copyright, or trademark or application, right, or registration relating thereto.

<Source> ^Merriam-Webster 2016^

<Context> There are outstanding concerns from the foreign investors about the adequacy of investment protection, especially in the areas of intellectual property rights. The major issues include, among others, the forced technology transfer to Chinese partners and the theft of commercial secrets from foreign businesses in China.

<Source> ^Zhang 2020^:210-211

<Concept field> Foreign invested enterprises

<Related words> ^trademark^, ^patent^, ^industrial property^

<Type of relation> sub.

<Related words> ^technology transfer^, IP protection, ^royalty^

<Type of relation> general

<Equivalence en-zh> Between the terms “intellectual property” and “知识产权” there is absolute conceptual equivalence

<en> IP

<Morphosyntax> noun

<Category> initials

<Usage label> common

<Source> ^Yu 2019^:16

<Variant of> intellectual property

<zh> 知识产权

<Morphosyntax> noun group

<Style label> official

<Origin> hybrid

<Source> ^NPC 2020^: art.22

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 在科学技术、文化艺术等领域中，发明者、创作者对自己的创造性劳动成果依法享有的专有权。包括工业产权和著作权。

<Source> ^现代汉语词典 2012^:6014

<Context> 国家保护外国投资者和外商投资企业的知识产权，保护知识产权权利人和相关权利人的合法权益；对知识产权侵权行为，严格依法追究法律责任。国家鼓励在外商投资过程中基于自愿原则和商业规则开展技术合作。技术合作的条件由投资各方遵循公平原则平等协商确定。行政机关及其工作人员不得利用行政手段强制转让技术。

<Source> ^NPC 2020^: art.22

<Concept field> 外商投资企业

<Related words> ^专利^, ^商标^, ^工业产权^

<Type of relation> sub,

<Related words> ^技术转让^, ^知识产权保护^, ^使用费^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> joint and several liability

<Morphosyntax> noun group

<Source> ^Yu 2019^:10

<Lexica> Found in ^Martin 2003^

<Definition> Liable together and in separation. If two or more people enter into an obligation that is said to be joint and several, their liability for its breach can be enforced against them all by a joint action or against any of them by individual action.

<Source> ^Martin 2003^

<Context> If the incorporation fails, the incorporators shall bear joint and several liability for the debts and expenses resulting from any pre-establishment activities, and the incorporators shall also be liable for refunding the paid-in capital plus any interest.

<Source> ^Yu 2019^:10

<Concept field> Foreign invested enterprises

<Equivalence en-zh> Between the terms “joint and several liability” and “连带责任” there is absolute conceptual equivalence

<zh> 连带责任

<Morphosyntax> noun group

<Style label> official

<Origin> loan word

<Source> ^NPC 1993^: art. 15

<Lexica> Found in ^He 1990^

<Definition> 连带责任指数个债务人就同一债务各负全部给付的一种责任形式。即债权人可对债务人中的一人，数人或全体，同时或先后请求全部或部分给付的一种债务形式。

<Source> ^He 1990^

<Context> 公司可以向其他企业投资；但是，除法律另有规定外，不得成为对所投资企业的债务承担连带责任的出资人。

<Source> ^NPC 1993^: art. 15

<Concept field> 外商投资企业

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> joint stock corporation

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Yu 2019^:5

<Lexica> Found in ^Cambridge Business English Dictionary 2011^

<Definition> A joint stock corporation is a company whose entire capital is divided into shares of equal value, which can be either registered shares or bearer shares. Each shareholder is liable to the company to the extent of the number of shares it subscribes, while the company is liable for its debts to the extent of all of its assets.

<Source> ^Lo, Tian 2011^:41

<Context> A Joint Stock Corporation may have up to 200 shareholders. At least half of a JSC's incorporators, who may be of any nationality, should reside in China. A natural person, partnership, or corporation that has not been otherwise prohibited from becoming an incorporator may serve as one. A person with limited civil capacity, however, may not.

<Source> ^Yu 2019^:8-9

<Concept field> Foreign invested enterprises

<Related words> ^limited liability corporation^

<Type of relation> coord.

<Synonyms> The terms “joint stock corporation” and “company limited by shares” are used interchangeably but the latter, albeit used less frequently, is a more literal translation of the Chinese term “股份有限公司”.

<Equivalence en-zh> Between the terms “joint stock corporation” and “股份有限公司” there is absolute conceptual equivalence

<en> JSC

<Morphosyntax> noun

<Category> initials

<Usage label> common

<Source> ^Yu 2019^:5

<Variant of> Joint stock corporation

<en> company limited by shares

<Morphosyntax> noun group

<Usage label> uncommon

<Source> ^Zhang 2020^:208

<zh> 股份有限公司

<Morphosyntax> noun group

<Style label> official

<Source> ^NPC 1993^: art.2

<Lexica> Found in ^Chen 2001^, ^现代汉语词典 2012^

<Definition> 由一定人数以上的股东组成、公司全部资本分为等额股份、股东以其所认股份为限对公司承担责任和公司以其全部资产对公司债务承担责任的公司。

<Source> ^Chen 2001^:

<Context> 设立股份有限公司，应当具备下列条件：发起人符合法定人数；有符合公司章程规定的全体发起人认购的股本总额或者募集的实收股本总额；股份发行、筹办事项符合法律规定；发起人制订公司章程，采用募集方式设立的经创立大会通过；有公司名称，建立符合股份有限公司要求的组织机构；有公司住所。

<Source> ^NPC 1993^: art.76

<Concept field> 外商投资企业

<Related words> ^有限责任公司^

<Type of relation> coord.

<zh> 股份公司

<Morphosyntax> noun group

<Category> short form

<Usage label> common

<Source> ^NPC 1993^: art.8

<Variant of> 股份有限公司

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> joint venture agreement

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Rich 1981^:188

<Definition> The joint venture agreement refers to the document agreed upon by the parties with respect to certain major points and principles governing the establishment of the joint venture. [...] If the joint venture agreement and joint venture contract have conflicts, the joint venture contract will prevail. If the parties agree to conclude only the joint venture contract and the articles of association, the joint venture agreement may be omitted.

<Source> ^Lo, Tian 2011^:81

<Context> In the three-stage [approval] process, the joint venture agreement again is submitted to the FIC after all of its terms have been finalized by the parties. If it is approved, then all of the final documentation is drawn-up and submitted to the FIC for formal approval. Registration with the [SAMR] and issuance of a license to operate is presumably a pro forma procedure.

<Source> ^Rich 1981^:193

<Concept field> Foreign invested enterprises

<Related words> ^sino-foreign equity joint venture^

<Type of relation> general.

<Related words> ^joint venture contract^, ^articles of association^

<Type of relation> coord.

<Equivalence en-zh> Between the terms “joint venture agreement” and “合营企业协议” there is absolute conceptual equivalence

<en> JVA

<Morphosyntax> noun

<Category> initials

<Usage label> common

<Source> ^Cavalieri, Salvatore 2018^:134

<Variant of> joint venture agreement

<en> memorandum of association

<Morphosyntax> noun group

<Usage label> common

<Synonymy> (~)

<Source> ^Cavalieri, Salvatore 2018^:134

<Lexica> Found in ^Cambridge Business English Dictionary 2011^, ^Martin 2003^

<Context> > The EJV is established on the basis of an agreement (JVA or memorandum of association) between the Chinese participant and the foreign participant.

<Source> ^Cavalieri, Salvatore 2018^:134

<zh> 合营企业协议

<Morphosyntax> noun group

<Usage label> main term

<Style label> official

<Origin> hybrid

<Source> ^State Council 1983^: art.5

<Lexica> Found in ^Wang 1991^

<Definition> 合营企业协议是合营企业三种基本文件之一。它是合营各方对设立合营企业的某些要点和原则达成一致意见而订立的文件。协议本身虽无法律效力，但它是任何有法律效力的合同所必需的先决条件，协议是据以制定合同的基础。协议中所规定的问题一般比较原则，文字也比较简明扼要，往往在达成协议以后，双方还要对具体细节问题进行细致的调查研究，做经济和技术可行性分析，并且反复进行谈判，在此基础上，才能达成一个真正可以履行的，明确规定双方权力义务的合同。

<Source> ^Wang 1991^

<Context> 本条例所称合营企业协议，是指合营各方对设立合营企业的某些要点和原则达成一致意见而订立的文件；[...] 合营企业协议与合营企业合同有抵触时，以合营企业合同为准。经合营各方同意，也可以不订立合营企业协议而只订立合营企业合同、章程。

<Source> ^State Council 1983^: art.10

<Concept field> 外商投资企业

<Related words> ^中外合资经营企业^

<Type of relation> general

<Related words> ^合营企业合同^, ^章程^

<Type of relation> coord.

<zh> 合营协议

<Morphosyntax> noun group

<Category> short form

<Usage label> common

<Source> ^NPC 1979^: art.3

<Variant of> 合营企业协议

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> joint venture contract

<Morphosyntax> noun group

<Source> ^Yu 2019^:61

<Definition> The joint venture contract refers to the document concluded by the parties with respect to their mutual rights and obligations. [...] If the joint venture agreement and joint venture contract have conflicts, the joint venture contract will prevail.

<Source> ^Lo, Tian 2011^:81

<Context> In the past, a joint venture contract would usually set a time limit for the making of contributions. If, in the first instance, a shareholder party failed to do this, [SAMR] would set a time limit for that party to meet contribution obligations. If, in the second instance, the party failed to do this within the time limit set by the authority, the examination and approval authority would intervene in order to cancel and nullify the approval certificate issued to the venture.

<Source> ^Yu 2019^:61

<Concept field> Foreign invested enterprises

<Related words> ^sino-foreign equity joint venture^

<Type of relation> general.

<Related words> ^joint venture agreement^, ^articles of association^



<Type of relation> coord.

<Equivalence en-zh> Between the terms “joint venture contract” and “合营企业合同” there is absolute conceptual equivalence

<zh> 合营企业合同

<Morphosyntax> noun group

<Style label> official

<Source> ^State Council 1983^: art.10

<Lexica> Found in ^Han, Ma 1993^

<Definition> 中外合营企业合同是中外合营各方为设立合营企业就相互权利、义务关系达成一致意见而订立的文件。其主要内容除包括中外合营企业章程的内容外，还应明确采用的主要生产设备、生产技术及其来源；原材料购买和产品销售方式，产品销售方向；外汇资金收入的安排，以及各项管理规定、违反合同责任和解决争议的方式程序等。

<Source> ^Han, Ma 1993^

<Context> 合营企业合同应当包括下列主要内容：合营各方的名称、注册国家、法定地址和法定代表人的姓名、职务、国籍；合营企业名称、法定地址、宗旨、经营范围和规模；合营企业的投资总额，注册资本，合营各方的出资额、出资比例、出资方式、出资的缴付期限以及出资额欠缴、股权转让的规定；合营各方利润分配和亏损分担的比例；合营企业董事会的组成、董事名额的分配以及总经理、副总经理及其他高级管理人员的职责、权限和聘用办法；采用的主要生产设备、生产技术及其来源；原材料购买和产品销售方式；财务、会计、审计的处理原则；有关劳动管理、工资、福利、劳动保险等事项的规定；合营企业期限、解散及清算程序；违反合同的责任；解决合营各方之间争议的方式和程序；合同文本采用的文字和合同生效的条件。合营企业合同的附件，与合营企业合同具有同等效力。

<Source> ^State Council 1983^: art.11

<Concept field> 外商投资企业

<Related words> ^中外合资经营企业^

<Type of relation> general

<Related words> ^合营企业协议^, ^章程^

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> labor union

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Pisacane 2018^:100

<Lexica> Found in ^Merriam-Webster 2016^

<Definition> A labor organization usually consisting of workers of the same trade that is formed for the purpose of advancing its members' interests (as through collective bargaining) in respect to wages, benefits, and working conditions

<Source> ^Merriam-Webster 2016^

<Context> The employees of a company shall organize a labor union and conduct labor union activities in accordance with the Labor Union Law of the People's Republic of China to protect the lawful rights and interests of the employees. The company shall provide its labor union with conditions necessary for conducting its activities. The labor union of the company shall enter into collective contracts on behalf of the employees with the company with respect to such matters as labor remuneration, working hours, welfare, insurance and labor safety and health of the employees according to the law.

<Source> ^Pisacane 2018^:100

<Concept field> Foreign invested enterprises

<Related words> industrial union, occupational labor union

<Type of relation> sub.

<Equivalence en-zh> Between the terms “labor union” and “工会” there is absolute conceptual equivalence

<en> trade union

<Morphosyntax> noun group

<Usage label> common

<Synonymy> (~)

<Source> ^Lo, Tian 2011^:235

<zh> 工会

<Morphosyntax> noun

<Style label> official

<Source> ^NPC 1993^: art.18

<Lexica> Found in ^现代汉语词典 2012^, ^Xue 2006^

<Definition 1> 工人阶级的群众性组织。最早出现于 18 世纪中叶的英国，后各国相继建立。一般分为产业工会和职业工会两大类。

<Source> ^现代汉语词典 2012^:1645

<Definition 2> 代表雇员就工资、工时及劳动条件等与雇主进行谈判以谋求有利条件的工人组织。一般代表本行业、本技能，例如管子工、卡车司机等。

<Source> ^Xue 2006^

<Context> 公司职工依照《中华人民共和国工会法》组织工会，开展工会活动，维护职工合法权益。公司应当为本公司工会提供必要的活动条件。公司工会代表职工就职工的劳动报酬、工作时间、福利、保险和劳动安全卫生等事项依法与公司签订集体合同。

<Source> ^NPC 1993^: art.18

<Concept field> 外商投资企业

<Related words> 产业工会, 职业工会

<Type of relation> sub.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> legal person

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Yu 2019^:3

<Lexica> Found in ^Martin 2003^, ^Cambridge Business English Dictionary 2011^

<Phraseology> legal person status

<Definition> A natural person (i.e. a human being) or a juristic person (an entity, such as a corporation, that is recognized as having legal personality, i.e. it is capable of enjoying and being subject to legal rights and duties)

<Source> ^Martin 2003^:273, 285

<Context> A foreign investor may be either a natural person with foreign citizenship or a legal person with foreign domicile who engages in direct investment in China. A foreign investor may be a foreign corporation, an enterprise, an economic organization, or a foreign individual and may be from Hong Kong, Macau, or Taiwan.

<Source> ^Yu 2019^:43-44

<Concept field> Foreign invested enterprises

<Related words> ^natural person^, juristic person

<Type of relation> coord.

<Equivalence en-zh> Between the terms “legal person” and “法人” there is absolute conceptual equivalence

<zh> 法人

<Morphosyntax> noun

<Style label> official

<Origin> loan word

<Source> ^NPC 1986^: art.8

<Lexica> Found in ^现代汉语词典 2012^

<Phraseology> 法人资格

<Definition> 法律上指根据法定程序设立，有一定的组织机构和独立的财产，参加民事活动的社会组织，如公司、社团等。法人独立享有与其业务有关的民事权利，承担相应的民事义务。

<Source> ^现代汉语词典 2012^:1313

<Context> 外资企业符合中国法律关于法人条件的规定的，依法取得中国法人资格。

<Source> ^NPC 1986^: art.8

<Concept field> 外商投资企业

<Related words> ^自然人^

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> legal representative

<Morphosyntax> noun group

<Source> ^Pisacane 2018^:55

<Lexica> Found in ^Merriam-Webster 2016^

<Definition> one who represents or stands in the place of another under authority recognized by law especially with respect to the other's property or interests: as a personal representative or an agent having legal status.

<Source> ^Merriam-Webster 2016^

<Context> On one hand, based on the principle that the legal representative represents and acts on behalf of the company, their management actions are considered actions of the company; the company, therefore, undertakes civil liability for all actions made by the legal representative in its name and on its behalf. On the other hand, while the legal representative is capable of binding the company with the civil liability, they can be generally held responsible for the company's activities in violation of laws or administrative regulations and even criminal activities.

<Source> ^Pisacane 2018^:55

<Concept field> Foreign invested enterprises

<Related words> personal representative, agent

<Type of relation> sub.

<Related words> ^chairman of the board^

<Type of relation> general

<Equivalence en-zh> Between the terms “legal representative” and “法定代表人” there is absolute conceptual equivalence

<zh> 法定代表人

<Morphosyntax> noun group

<Style label> official

<Source> ^State Council 1983^: art.11

<Lexica> Found in ^He 1990^

<Definition> 亦称“法人代表人”。由法律、法人章程或条例规定的不需要委托而能够以法人名义进行经济活动的人。如工厂的厂长、企业的经理和公司的董事长等。

<Source> ^He 1990^

<Context> 董事长是合营企业的法定代表人。董事长不能履行职责时，应当授权副董事长或者其他董事代表合营企业。

<Source> ^State Council 1983^: art.34

<Concept field> 外商投资企业

<Related words> ^董事长^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> limited liability corporation

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Yu 2019^:5

<Lexica> Found in ^Cambridge Business English Dictionary 2011^

<Definition> A limited liability corporation is a company in which each shareholder is liable to the company to the extent of the amount of capital contribution undertaken to be made, while the company is liable for its debts to the extent of all of its assets.

<Source> ^Lo, Tian 2011^:40

<Context> A Limited Liability Corporation is usually a privately held, small-scale entity, owned by a limited number of shareholders who enjoy rights in proportion to their capital contributions. They may, however, agree otherwise with respect to their rights regarding management and profit if agreed to by all shareholders and included in the articles of incorporation. They may also make decisions with respect to the structure and management of the company if included in the articles of incorporation.

<Source> ^Yu 2019^:5

<Concept field> Foreign invested enterprises

<Related words> ^joint stock corporation^

<Type of relation> coord.

<Equivalence en-zh> Between the terms “limited liability corporation” and “有限责任公司” there is absolute conceptual equivalence

<en> LLC

<Morphosyntax> noun

<Category> initials

<Usage label> common

<Source> ^Yu 2019^:5

<Variant of> limited liability corporation

<zh> 有限责任公司

<Morphosyntax> noun group

<Usage label> main term

<Style label> official

<Source> ^NPC 1993^: art.2

<Lexica> Found in ^Chen 2001^

<Definition> 由一定人数的股东组成的、股东以其出资为限对公司承担责任和公司以其全部资产对公司债务承担责任的公司。

<Source> ^Chen 2001^

<Context> 设立有限责任公司，应当具备下列条件：股东符合法定人数；有符合公司章程规定的全体股东认缴的出资额；股东共同制定公司章程；有公司名称，建立符合有限责任公司要求的组织机构；有公司住所。

<Source> ^NPC 1993^: art.23

<Concept field> 外商投资企业

<Related words> ^有限股份公司^

<Type of relation> coord.

<zh> 有限公司

<Morphosyntax> noun group  
<Category> short form  
<Usage label> common  
<Source> ^NPC 1993^: art.8  
<Variant of> 有限责任公司

\*\*

<Subject> Law/Diritto  
<Subfield> Business enterprises/Imprese  
<en> limited partner  
<Morphosyntax> noun group  
<Source> ^Kuntner 2021^:2  
<Lexica> Found in ^Martin 2003^  
<Definition> The limited partners are partners who are only liable to the extent of their capital contributions and must desist from participation in management activities in order to remain under the limited liability shield.  
<Source> ^Lin, Yeo 2010^:104  
<Context> The limited partner is generally excluded from the management of the LPE. Further differentiating it from the general partner, special terms apply to the capital contribution of a limited partner.  
<Source> ^Kuntner 2021^:162  
<Concept field> Foreign invested enterprises  
<Related words> ^general partner^  
<Type of relation> coord.  
<Related words> ^partnership enterprise^, ^limited partnership enterprise^  
<Type of relation> super.  
<Equivalence en-zh> Between the terms “limited partner” and “有限合伙人” there is absolute conceptual equivalence  
  
<zh> 有限合伙人  
<Morphosyntax> noun group



<Style label> official

<Source> ^NPC 1997^: art.2

<Lexica> Found in ^Xue 2006^

<Definition> 有限合伙人是指以其认缴的出资额为限对合伙企业债务承担责任的合伙人

<Source> ^NPC 1997^: art.2

<Context> 有限合伙人承担有限责任，这使有限合伙人不但能分享合伙企业的利润，而且能够预期其最大的投资风险，有利于吸引投资者投资。

<Source> ^Zhao 2010^:66-67

<Concept field> 外商投资企业

<Related words> ^普通合伙人^

<Type of relation> coord.

<Related words> ^合伙企业^, ^有限合伙企业^

<Type of relation> super.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> limited partnership enterprise

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Lin, Yeo 2010^:104

<Lexica> Found in ^Martin 2003^

<Definition> Under the [Partnership Enterprise Law], a limited partnership enterprise refers to a partnership formed by general and limited partners where the general partners are jointly and severally liable for the debts of the limited partnership and with the limited partners only liable to the extent of their capital contributions.

<Source> ^Lin, Yeo 2010^:104

<Context> Limited partnerships allow for, and are primarily aimed at, more flexibility in structuring the enterprise by permitting the combination of institutions or individuals who have management experience or special technical know-how with those who have capital, i.e. venture capital investors.

<Source> ^Kuntner 2021^:117

<Concept field> Foreign invested enterprises

<Related words> ^general partnership enterprise^, ^foreign invested partnership enterprise^,  
^specialized general partnership enterprise^

<Type of relation> coord.

<Related words> ^partnership enterprise^

<Type of relation> super.

<Equivalence en-zh> Between the terms “limited partnership enterprise” and “有限合伙企业”  
there is absolute conceptual equivalence

<en> LPE

<Morphosyntax> noun

<Category> initials

<Usage label> common

<Source> ^Kuntner 2021^:117

<Variant of> Limited partnership enterprise

<Context> Accordingly, the reintroduction of the LPE under the revised Partnership Law was  
backed by wide support from different government agencies that all recognized the importance  
of the LPE for the development of venture capital driven innovation and high-tech enterprises.

<Source> ^Kuntner 2021^:118

<zh> 有限合伙企业

<Morphosyntax> noun group

<Style label> official

<Origin> hybrid

<Source> ^NPC 1997^: art.60

<Definition> 有限合伙企业由普通合伙人和有限合伙人组成，普通合伙人对合伙企业债  
务承担无限连带责任，有限合伙人以其认缴的出资额为限对合伙企业债务承担责任。

<Source> ^Zhao 2010^:66

<Context> 有限合伙企业由二个以上五十个以下合伙人设立；但是，法律另有规定的除  
外。有限合伙企业至少应当有一个普通合伙人。

<Source> ^NPC 1997^: art.61

<Concept field> 外商投资企业

<Related words> ^普通合伙企业^, ^外商投资合伙企业^, ^特殊的普通合伙企业^

<Type of relation> coord.

<Related words> ^合伙企业^

<Type of relation> super.

<zh> 有限合伙

<Morphosyntax> noun group

<Category> short form

<Usage label> common

<Source> ^Zhao 2010^:65

<Variant of> 有限合伙企业

<Context> 在主体构成方面, 有限合伙要求由普通合伙人和有限合伙人。

<Source> ^Zhao 2010^:66

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> liquidation committee

<Morphosyntax> noun group

<Source> ^Lo, Tian 2011^:54

<Lexica> Found in ^Martin 2003^

<Definition> A committee set up by creditors of a company being wound up in order to consent to the "liquidator exercising certain of his powers. When the company is unable to pay its debts, the committee is usually composed of creditors only; otherwise it consists of both creditors and contributories.

<Source> ^Martin 2003^:292

<Context> Where a company fails to form a liquidation committee to conduct liquidation within the time limit, its creditors may petition to the people's court to have a liquidation committee organized. The liquidation committee of a limited liability company is composed of its

shareholders. The members of the liquidation committee of a company limited by shares are to be determined by the directors or the shareholders' meeting.

<Source> ^Lo, Tian 2011^:55

<Concept field> Foreign invested enterprises

<Related words> ^liquidation^

<Type of relation> coord.

<Equivalence en-zh> Between the terms “liquidation committee” and “清算组” there is absolute conceptual equivalence

<zh> 清算组

<Morphosyntax> noun group

<Usage label> main term

<Style label> official

<Source> ^NPC 1993^: art.183

<Lexica> Found in ^Han, Ma 1993^

<Definition> 清算组又称破产管理人。在破产宣告后，由法院指定成立的，接收、管理、清理、估价和处理破产人财产的专门组织。

<Source> ^Han, Ma 1993^

<Context> 有限责任公司的清算组由股东组成，股份有限公司的清算组由董事或者股东大会确定的人员组成。逾期不成立清算组进行清算的，债权人可以申请人民法院指定有关人员组成清算组进行清算。人民法院应当受理该申请，并及时组织清算组进行清算。

<Source> ^NPC 1993^: art. 183

<Concept field> 外商投资企业

<Related words> ^清算^

<Type of relation> coord.

<zh> 破产管理人

<Morphosyntax> noun group

<Usage label> uncommon

<Source> ^Han, Ma 1993^

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> liquidation

<Morphosyntax> noun

<Usage label> main term

<Source> ^Lo, Tian 2011^:38

<Lexica> Found in ^Martin 2003^, ^Cambridge Business English Dictionary 2011^

<Definition 1> A situation in which a company stops operating and sells all its assets in order to pay its debts.

<Source> ^Cambridge Business English Dictionary 2011^

<Definition 2> Liquidation refers to a series of acts and procedures that bring about a division of the corporate property and a closure to the legal relationships of the corporation. After a corporation is dissolved and wound up, the legal person identity of the corporation is then terminated. The legal person status of a corporation retains legal validity after the dissolution but before the liquidation process. Before a corporation can be completely wound-up, the legal capacity to exercise its relevant rights is limited to the execution of liquidation duties.

<Source> ^Yu 2019^:38

<Context> When liquidation proceedings are completed, the liquidation committee shall prepare a liquidation report and present it to the shareholders' meeting or the people's court for confirmation. With the liquidation report, the company shall apply to the AIC for cancellation of registration and publicly announce the company's termination.

<Source> ^Lo, Tian 2011^:55

<Concept field> Foreign invested enterprises

<Related words> ^bankruptcy^, ^dissolution^, ^liquidation committee^

<Type of relation> coord.

<Equivalence en-zh> Between the terms "liquidation" and "清算" there is absolute conceptual equivalence

<en> winding-up

<Morphosyntax> noun

<Usage label> uncommon

<Source> ^Martin 2003^:537

<zh> 清算

<Morphosyntax> verb

<Style label> official

<Origin> loan word

<Source> ^NPC 1993^: art.37

<Lexica> Found in ^现代汉语词典 2012^, ^Xue 2006^

<Definition> 在终止公司业务的情况下，指变现资产、清抵债务、分配盈亏的程序，发生在公司将其净资产分配给股东、停止其法律存在之时。

<Source> ^Xue 2006^

<Context> 清算组在清理公司财产、编制资产负债表和财产清单后，应当制定清算方案，并报股东会、股东大会或者人民法院确认。公司财产在分别支付清算费用、职工的工资、社会保险费用和法定补偿金，缴纳所欠税款，清偿公司债务后的剩余财产，有限责任公司按照股东的出资比例分配，股份有限公司按照股东持有的股份比例分配。清算期间，公司存续，但不得开展与清算无关的经营活动。公司财产在未依照前款规定清偿前，不得分配给股东。

<Source> ^NPC 1993^: art. 186

<Concept field> 外商投资企业

<Related words> ^解散^, ^破产^, ^清算组^

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> listed company

<Morphosyntax> noun group

<Source> ^Zhang 2020^:209

<Lexica> Found in ^Cambridge Business English Dictionary 2011^, ^Martin 2003^

<Definition> A company whose shares are bought and sold on a particular stock market.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> Also under Article 3 of the Partnership Enterprise Law, a wholly state-funded company, state-owned company, listed company, public welfare-oriented institution and social organization are prohibited from becoming a general partner.

<Source> ^Zhang 2020^:209

<Concept field> Foreign invested enterprises

<Related words> ^joint stock corporation^

<Type of relation> super,

<Related words> stock exchange

<Type of relation> general

<Equivalence en-zh> Between the terms “listed company” and “上市公司” there is absolute conceptual equivalence

<zh> 上市公司

<Morphosyntax> noun

<Style label> official

<Source> ^NPC 1993^: art.120

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 经有关部门核准，公开发行股票并在证券交易所上市交易的股份有限公司。

<Source> ^现代汉语词典 2012^:4110

<Context> 上市公司在一年内购买、出售重大资产或者担保金额超过公司资产总额百分之三十的，应当由股东大会作出决议，并经出席会议的股东所持表决权的三分之二以上通过。

<Source> ^NPC 1993^: art.121

<Concept field> 外商投资企业

<Related words> ^股份有限公司^

<Type of relation> super.

<Related words> 证券交易

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> market price

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Lo, Tian 2011^:78

<Lexica> Found in ^Cambridge Business English Dictionary 2011^, ^Merriam-Webster 2016^

<Definition> The price that something could be sold for at a particular time.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> If the foreign party contributes machinery, equipment, and materials, they must be necessary for the production of the joint venture, and their prices must not be higher than the current international market prices for similar machinery, equipment, or materials.

<Source> ^Lo, Tian 2011^:78

<Concept field> Foreign invested enterprises

<Related words> international market

<Type of relation> general

<Equivalence en-zh> Between the terms “market price” and “市场价格” there is absolute conceptual equivalence

<en> market value

<Morphosyntax> noun group

<Usage label> common

<Synonymy> (~)

<Source> ^Lo, Tian 2011^:265

<zh> 市场价格

<Morphosyntax> noun group

<Usage label> main term

<Style label> official

<Source> ^State Council 1983^: art.24

<Lexica> Found in ^Xue 2006^



<Definition> 指买者愿购、卖者愿售的价格，也即在公开市场上的竞争性价格，区别于强制性售价。

<Source> ^Xue 2006^

<Context> 作为外国合营者出资的机器设备或者其他物料，应当是合营企业生产所必需的。前款所指机器设备或者其他物料的作价，不得高于同类机器设备或者其他物料当时的国际市场价格。

<Source> ^State Council 1983^: art.24

<Concept field> 外商投资企业

<Related words> 国际市场

<Type of relation> general

<zh> 市价

<Morphosyntax> noun

<Category> short form

<Usage label> common

<Source> ^Xue 2006^

<Variant of> 市场价格

<zh> 市场价值

<Morphosyntax> noun group

<Usage label> common

<Synonymy> (~)

<Source> ^Xue 2006^

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> merger

<Morphosyntax> noun

<Source> ^Lo, Tian 2011^:54

<Lexica> Found in ^Martin 2003^, ^Cambridge Business English Dictionary 2011^

<Definition> A merger refers to the combining of two corporate entities in accordance with legal procedures by way of a merger agreement.

<Source> ^Yu 2019^:33

<Context> The merger of two companies may be done by means of absorption or establishment of a new company. Where one company absorbs another company, the absorbed company is dissolved. Where two or more companies merge into one company, all the participating companies are dissolved.

<Source> ^Lo, Tian 2011^:54

<Concept field> Foreign invested enterprises

<Related words> mergers and acquisitions

<Type of relation> super.

<Related words> acquisition, consolidation

<Type of relation> coord.

<Related words> consolidation

<Type of relation> sub.

<Equivalence en-zh> Between the terms “merger” and “公司合并” there is absolute conceptual equivalence

<zh> 公司合并

<Morphosyntax> noun

<Style label> official

<Origin> loan word

<Source> ^NPC 1993^: art.172

<Lexica> Found in ^Xue 2006^

<Definition> 指两个公司依法合并为一个公司，其中一公司继续存在，另一公司消灭。被兼并者丧失法律人格，作为商业实体不复存在；兼并者则保留其名称、人格并获得被兼并者的资产、义务、特许权及其他权利。兼并区别于合并，在合并中，两个公司均不复存在，双方都成为新设立公司的成员。

<Source> ^Xue 2006^:911

<Context> 公司合并可以采取吸收合并或者新设合并。一个公司吸收其他公司为吸收合并，被吸收的公司解散。两个以上公司合并设立一个新的公司为新设合并，合并各方解散。

<Source> ^NPC 1993^: art.172

<Concept field> 外商投资企业

<Related words> 并购

<Type of relation> super.

<Related words> 收购

<Type of relation> coord.

<Related words> 兼并

<Type of relation> sub.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> national treatment

<Morphosyntax> noun group

<Source> ^Zhang 2020^:193

<Lexica> Found in ^Martin 2003^,

<Definition> National treatment can be defined as a principle whereby a host country extends to foreign investors treatment that is at least as favorable as the treatment that it accords to national investors in like circumstances. In this way the national treatment standard seeks to ensure a degree of competitive equality between national and foreign investors. This raises difficult questions concerning the factual situations in which national treatment applies and the precise standard of comparison by which the treatment of national and foreign investors is to be compared.

<Source> ^UNCTAD 1999^:1

<Context> Pre-entry national treatment is also called pre-establishment national treatment. It grants to foreign investors a national treatment before their presence or establishment in the country. Under the FIE Laws, foreign investors are treated differently until after they have gained market access. The FIL extends such treatment to the stage prior to the actual

establishment. As provided in Article 4 of the FIL, the pre-entry national treatment is a “treatment given to foreign investors and their investments at the stage of investment admission no less than that given to the domestic investors and their investments.”

<Source> ^Zhang 2020^:194

<Concept field> Foreign invested enterprises

<Related words> ^foreign investment^

<Type of relation> general

<Related words> ^negative list^

<Type of relation> coord.

<Related words> pre-entry national treatment

<Type of relation> sub

<Equivalence en-zh> Between the terms “national treatment” and “国民待遇” there is absolute conceptual equivalence

<zh> 国民待遇

<Morphosyntax> noun group

<Style label> official

<Origin> loan word

<Source> ^NPC 2020^: art.4

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 一国对在本国境内的外国人(自然人或法人)给予和本国人同等的民事权利的待遇。包括财产所有权、转让权、财产继承权、专利权、商标权、著作权、诉讼权等。一般不包括政治权利。

<Source> ^现代汉语词典 2012^:1823

<Context> 国家对外商投资实行准入前国民待遇加负面清单管理制度。前款所称准入前国民待遇，是指在投资准入阶段给予外国投资者及其投资不低于本国投资者及其投资的待遇； [...] 国家对负面清单之外的外商投资，给予国民待遇。负面清单由国务院发布或者批准发布。

<Source> ^NPC 2020^: art.4

<Concept field> 外商投资企业

<Related words> ^外商投资^

<Type of relation> general

<Related words> ^负面清单^

<Type of relation> coord.

<Related words> 准入前国民待遇

<Type of relation> sub.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> nationalization

<Morphosyntax> noun

<Source> ^Potter 1993^:17

<Lexica> Found in ^Cambridge Business English Dictionary 2011^, ^Merriam-Webster 2016^

<Definition> Nationalization usually refers to massive or large-scale takings of private property in all economic sectors or on an industry – or sector-specific basis. Outright nationalizations in all economic sectors are generally motivated by policy considerations; the measures are intended to achieve complete State control of the economy and involve the takeover of all privately owned means of production. Many former colonies regarded nationalizations as an integral part of their decolonization process in the period following the end of the Second World War. Nationalizations on an industry-wide basis take place when a government seeks to reorganize a particular industry by taking over the private enterprises in the industry and creating a State monopoly. In these cases, the assets taken become publicly owned.

<Source> ^UNCTAD 2012^:5

<Context> Perhaps the only real safeguard to the nationalization of foreign enterprises in China is the harsh response that would follow any such action. In short, a nationalization of the joint venture would result in the immediate cessation of operations of the enterprise, thereby impeding the flow of foreign exchange so coveted by China.

<Source> ^Potter 1993^:24

<Concept field> Foreign invested enterprises

<Related words> ^expropriation^, ^requisition^

<Type of relation> coord.

<Equivalence en-zh> Between the terms “nationalization” and “国有化” there is absolute conceptual equivalence

<zh> 国有化

<Morphosyntax> noun

<Usage label> main term

<Style label> official

<Source> ^NPC 1986^: art.5

<Lexica> Found in ^Xue 2006^

<Definition 1> 政府对私有企业的接管或没收。

<Source> ^Xue 2006^

<Definition 2> 又称“没收”，国家在其领土内根据法令将包括外国人资产在内的私人财产强行转归国家的过程。

<Source> ^Wang 1996^

<Context> 国家对外资企业不实行国有化和征收；在特殊情况下，根据社会公共利益的需要，对外资企业可以依照法律程序实行征收，并给予相应的补偿。

<Source> ^NPC 1986^: art5

<Concept field> 外商投资企业

<Related words> ^征收^, ^征用^

<Type of relation> coord.

<zh> 没收

<Morphosyntax> noun

<Usage label> common

<Synonymy> (~)

<Source> ^Xue 2006^

\*\*

<Subject> Law/Diritto  
 <Subfield> Business enterprises/Imprese  
 <en> natural person  
 <Morphosyntax> noun group  
 <Source> ^Zhang 2020^:232  
 <Lexica> Found in ^Merriam-Webster 2016^, ^Martin 2003^  
 <Definition> A human being as distinguished from a person (as a corporation) created by operation of law.  
 <Source> ^Merriam-Webster 2016^  
 <Context> The nationality of a foreign investor can be either the place of business registration if the investor is an entity or legal person, or the citizenship if the investor is a natural person.  
 <Source> ^Zhang 2020^:232  
 <Concept field> Foreign invested enterprises  
 <Related words> ^legal person^, juristic person  
 <Type of relation> coord.  
 <Equivalence en-zh> Between the terms “natural person“ and “自然人” there is absolute conceptual equivalence  
  
 <zh> 自然人  
 <Morphosyntax> noun  
 <Style label> official  
 <Origin> loan word  
 <Source> ^NPC 1997^: art.2  
 <Lexica> Found in ^现代汉语词典 2012^  
 <Definition> 法律上指在民事上能享受权利并承担义务的个人。  
 <Source> ^现代汉语词典 2012^:6224  
 <Context> 作为有限合伙人的自然人在有限合伙企业存续期间丧失民事行为能力的，其他合伙人不得因此要求其退伙。  
 <Source> ^NPC 1997^: art.79  
 <Concept field> 外商投资企业  
 <Related words> ^法人^  
 <Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> negative list

<Morphosyntax> noun group

<Source> ^Zhang 2020^:194

<Definition> the negative list refers to the special management measures that are used to control admission of foreign investment in specific areas in the country.

<Source> ^Zhang 2020^:199

<Context> There may be a choice between granting a general right to national treatment subject to a “negative list” of excepted industries and areas to which national treatment does not apply, and proceeding on the basis of a “positive list” where no a priori general right to national treatment is granted and national treatment extends only to those industries and areas specifically included in the positive list.

<Source> ^UNCTAD 1999^:4

<Concept field> Foreign invested enterprises

<Related words> ^foreign investment^

<Type of relation> general

<Related words> ^national treatment^,

<Type of relation> coord.

<Related words> positive list

<Type of relation> ant.

<Equivalence en-zh> Between the terms “negative list” and “负面清单” there is absolute conceptual equivalence

<zh> 负面清单

<Morphosyntax> noun group

<Style label> official

<Source> ^NPC 2020^: art.4

<Definition> 所称负面清单，是指国家规定在特定领域对外商投资实施的准入特别管理措施。国家对负面清单之外的外商投资，给予国民待遇。



<Source> ^NPC 2020^: art.4

<Context> 在外商投资审批制下，相关主管部门的审批、登记行为是投资合同的生效要件。而在准入前国民待遇加负面清单管理模式下，原则上外商投资无需再经审批，投资合同的效力应当贯彻当事人意思自治原则。只有负面清单列明采取特别管理措施的行业和领域，才继续涉及审批行为对投资合同效力的影响问题。

<Source> ^Liao 2020^:145

<Concept field> 外商投资企业

<Related words> ^外商投资^

<Type of relation> general

<Related words> ^国民待遇^

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> net profit

<Morphosyntax> noun group

<Source> ^Potter 1993^:19

<Lexica> Found in ^Cambridge Business English Dictionary 2011^

<Definition> The money made by a company or part of a company for a particular period after all costs, taxes, etc. have been paid.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> The net profits of the joint venture are distributed to the joint venture parties in accordance with their respective contributions to the entity, after the payment of income taxes and after any board-authorized reinvestment into the joint venture.

<Source> ^Potter 1993^:19-20

<Concept field> Foreign invested enterprises

<Related words> corporate finance

<Type of relation> super.

<Related words> ^gross profit^

<Type of relation> coord.

<Equivalence en-zh> Between the terms “net profit” and “净利润” there is absolute conceptual equivalence

<zh> 净利润

<Morphosyntax> noun

<Style label> official

<Origin> hybrid

<Source> ^NPC 1979^: art.8

<Lexica> Found in ^Xue 2006^

<Definition> 指扣除所有费用之后的净利润，可分为税前净利润和税后净利润。销售收入减去生产成本后为毛利，从毛利扣除所有经营费用后为营业利润，营业利润扣除所得税后为净利润。

<Source> ^Xue 2006^

<Context> 合营企业获得的毛利润，按中华人民共和国税法规定缴纳合营企业所得税后，扣除合营企业章程规定的储备基金、职工奖励及福利基金、企业发展基金，净利润根据合营各方注册资本的比例进行分配 [...] 外国合营者将分得的净利润用于在中国境内再投资时，可申请退还已缴纳的部分所得税。

<Source> ^NPC 1979^: art.8

<Concept field> 外商投资企业

<Related words> 企业财务

<Type of relation> super.

<Related words> ^毛利润^

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> partnership enterprise

<Morphosyntax> noun group

<Source> ^Kuntner 2021^:3

<Lexica> Found in ^Martin 2003^, ^Cambridge Business English Dictionary 2011^

<Definition 1> An association of two or more people formed for the purpose of carrying on a business with a view to profit.

<Source> ^Martin 2003^:357

<Definition 2> Partnership enterprise is defined in the Partnership Enterprise Law (PEL) as a business organization of general partnership or limited liability partnership established by natural persons, legal persons and other organizations

<Source> ^Zhang 2020^:209

<Context> The partnership enterprise is the form of business organization with the longest history in human society. In Europe, the evolution of partnership enterprises can be traced back to the Roman Empire (100 BC-400). In China, the partnership has been the dominant form of business organization throughout the country's long history. The partnership was developed as a response to changing business needs in different eras and played a crucial role in China's vibrant economy.

<Source> ^Kuntner 2021^:95

<Concept field> Foreign invested enterprises

<Related words> ^foreign investment partnership enterprise^, ^general partnership enterprise^, ^limited partnership enterprise^, ^specialized general partnership enterprise^

<Type of relation> coord.

<Equivalence en-zh> Between the terms “partnership enterprise” and “合伙企业” there is absolute conceptual equivalence

<zh> 合伙企业

<Morphosyntax> noun group

<Style label> official

<Origin> hybrid

<Source> ^NPC 1997^: art.2

<Lexica> Found in ^Xue 2006^

<Definition 1> 指由两个或更多的人共同拥有的非法人经济组织，其成员作为共有人为营利目的而从事商务、职业或专业活动。

<Source> ^Xue 2006^

<Definition 2> 合伙企业是指自然人、法人和其他组织依照本法在中国境内设立的普通合伙企业和有限合伙企业。

<Source> ^NPC 1997^: art.2

<Context> 合伙企业不认定为法人,除了法人资格条件与合伙企业的一些不相适应之处外,其实最大的经济上的考量因素是不对其征收企业所得税,使其成为创业投资的一类适当形式。

<Source> ^Ye, Ye 2006^:9

<Concept field> 外商投资企业

<Related words> ^外商投资合伙企业^, ^普通合伙企业^, ^有限合伙企业^, ^特殊的普通合伙企业^

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> patent

<Morphosyntax> noun

<Source> ^Yu 2019^:62

<Lexica> Found in ^Martin 2003^, ^Cambridge Business English Dictionary 2011^

<Definition> The legal right to be the only person or company to make or sell a product for a particular number of years, or a document that gives you this right.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> Non-cash forms of industrial property or proprietary technologies given to the joint venture must be presented in relevant documentation which certifies the validity of patents or trademarks, the basis for determining the price and the agreement about price signed with the Chinese shareholder.

<Source> ^Yu 2019^:62

<Concept field> Foreign invested enterprises

<Related words> ^intellectual property^, ^industrial property^

<Type of relation> super.

<Related words> ^trademark^

<Type of relation> coord.

<Related words> ^technology transfer^, ^royalty^

<Type of relation> general

<Equivalence en-zh> Between the terms “patent” and “专利” there is absolute conceptual equivalence

<zh> 专利

<Morphosyntax> noun

<Style label> official

<Source> ^State Council 1983^: art.26

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 法律保障创造发明者在一定时期内由于创造发明而独自享有的利益。

<Source> ^现代汉语词典 2012^:6153

<Context> 外国合营者以工业产权或者专有技术作为出资，应当提交该工业产权或者专有技术的有关资料，包括专利证书或者商标注册证书的复制件、有效状况及其技术特性、实用价值、作价的计算根据、与中国合营者签订的作价协议等有关文件，作为合营合同的附件。

<Source> ^State Council 1983^: art.26

<Concept field> 外商投资企业

<Related words> ^知识产权^, ^工业产权^

<Type of relation> super.

<Related words> ^商标^

<Type of relation> sub.

<Related words> ^技术转让^, ^使用费^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> preside

<Morphosyntax> verb

<Source> ^Pisacane 2018^:41

<Lexica> Found in ^Cambridge Business English Dictionary 2011^, ^Merriam-Webster 2016^

<Phraseology> preside over

<Definition> To exercise guidance, direction, or control; to occupy the place of authority, direct or regulate proceedings.

<Source> ^Merriam-Webster 2016^

<Context> Where the chairman is unable or fails to perform his duties, the deputy chairman of the Board of Directors shall preside over the meeting. Where the deputy chairman of the Board of directors is unable or fails to perform his duties, a director shall be nominated by a majority of the directors to preside over the meeting.

<Source> ^Pisacane 2018^:41

<Concept field> Foreign invested enterprises

<Related words> ^convene^

<Type of relation> coord.

<Related words> ^board of directors^, ^board of supervisors^, ^shareholder meeting^

<Type of relation> general

<Equivalence en-zh> Between the terms “preside” and “主持” there is absolute conceptual equivalence

<zh> 主持

<Morphosyntax> verb

<Style label> official

<Source> ^NPC 1993^: art.38

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 负责掌握或处理。

<Source> ^现代汉语词典 2012^:6123

<Context> 有限责任公司设立董事会的，股东会会议由董事会召集，董事长主持；董事长不能履行职务或者不履行职务的，由副董事长主持；副董事长不能履行职务或者不履行职务的，由半数以上董事共同推举一名董事主持。有限责任公司不设董事会的，股东会会议由执行董事召集和主持。董事会或者执行董事不能履行或者不履行召集股

东会会议职责的，由监事会或者不设监事会的公司的监事召集和主持；监事会或者监事不召集和主持的，代表十分之一以上表决权的股东可以自行召集和主持。

<Source> ^NPC 1993^: art.40

<Concept field> 外商投资企业

<Related words> ^召集^

<Type of relation> coord.

<Related words> ^董事会^, ^监事会^, ^股东会^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> quorum

<Morphosyntax> noun

<Origin> loan word

<Source> ^Pisacane 2018^:43

<Lexica> Found in ^Martin 2003^

<Definition> The minimum number of people who must be present at a meeting in order for business to be transacted. The required number is usually laid down in the articles of association, constitution, or rules of the company or other body concerned.

<Source> ^Martin 2003^:403

<Context> The Board of Directors plays a significant role in the LLCs' corporation governance, the shareholders shall be cautious about the candidates for the position of director and about the establishment of the Articles of Association to specify the quorum to convene a Board Meeting and the Board of Directors' other power and function beyond the statutory ones and the effective creation of the board resolution.

<Source> ^Pisacane 2018^:67

<Concept field> Foreign invested enterprises

<Related words> ^board of directors^, ^board of supervisors^, ^shareholder meeting^

<Type of relation> general

<Equivalence en-zh> Between the terms “quorum” and “法定人数” there is absolute conceptual equivalence

<zh> 法定人数

<Morphosyntax> noun group

<Style label> official

<Source> ^NPC 1993^: art.23

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 正式规定的为召开会议或通过有效决议所必要的人数。

<Source> ^现代汉语词典 2012^:1311

<Context> 董事任期由公司章程规定，但每届任期不得超过三年。董事任期届满，连选可以连任。董事任期届满未及时改选，或者董事在任期内辞职导致董事会成员低于法定人数的，在改选出的董事就任前，原董事仍应当依照法律、行政法规和公司章程的规定，履行董事职务。

<Source> ^NPC 1993^: art.45

<Concept field> 外商投资企业

<Related words> ^董事会^, ^股东会^, ^监事会^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> recoup

<Morphosyntax> verb

<Source> ^Lo, Tian 2011^:86

<Lexica> Found in ^Merriam-Webster 2016^, ^Cambridge Business English Dictionary 2011^

<Definition> To get back money that you have lost, spent, or invested.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> Nonetheless, the foreign party cannot recoup its investment in advance if the losses of the cooperative joint venture have not been recovered.



<Source> ^Lo, Tian 2011^:86

<Concept field> Foreign invested enterprises

<Related words> corporate finance

<Type of relation> super.

<Related words> ^capital contribution^, investment

<Type of relation> general

<Equivalence en-zh> Between the terms “recoup” and “回收” there is absolute conceptual equivalence

<zh> 回收

<Morphosyntax> verb

<Style label> official

<Source> ^NPC 1988^: art.21

<Lexica> Found in ^现代汉语词典 2012^

<Phraseology> 回收投资

<Definition> 把发放或发射出的东西、借出去或用出去的钱收回。

<Source> ^现代汉语词典 2012^:2120

<Context> 中外合作者依照合作企业合同的约定，分配收益或者产品，承担风险和亏损。中外合作者在合作企业合同中约定合作期满时合作企业的全部固定资产归中国合作者所有的，可以在合作企业合同中约定外国合作者在合作期限内先行回收投资的办法。依照前款规定外国合作者在合作期限内先行回收投资的，中外合作者应当依照有关法律的规定和合作企业合同的约定对合作企业的债务承担责任。

<Source> ^NPC 1988^: art.21

<Concept field> 外商投资企业

<Related words> 业务财务

<Type of relation> super.

<Related words> ^出资额^, 投资

<Type of relation> general

\*\*

<Subject> Law/Diritto  
<Subfield> Business enterprises/Imprese  
<en> register of shareholders  
<Morphosyntax> noun group  
<Source> ^Pisacane 2018^:104  
<Lexica> Found in ^Cambridge Business English Dictionary 2011^  
<Definition> A list of all the shareholders in a company and the number of shares they each own.  
<Source> ^Cambridge Business English Dictionary 2011^  
<Context> A limited liability company shall establish a register of shareholders to record the names and domiciles of the shareholders, the amounts of capital contribution of the shareholders and the serial numbers of the capital verification certificates. The shareholders on the register of shareholders may claim and exercise shareholder's rights on the basis of the register of shareholders. The company shall register the names of its shareholders with the company registration authority. If there is a change in the registered items, change registration shall be carried out. Anyone that fails to complete registration or change registration may not resist the claims of a third person.  
<Source> ^Pisacane 2018^:104  
<Concept field> Foreign invested enterprises  
<Related words> shareholder  
<Type of relation> general  
<Equivalence en-zh> Between the terms “register of shareholders” and “股东名册” there is absolute conceptual equivalence  
  
<zh> 股东名册  
<Morphosyntax> noun group  
<Style label> official  
<Source> ^NPC 1993^: art.32  
<Lexica> Found in ^Xue 2006^  
<Definition> 记载公司股东的姓名、所拥有的股份、股票号码等的公司文件  
<Source> ^Xue 2006^

<Context> 有限责任公司应当置备股东名册，记载下列事项：股东的姓名或者名称及住所；股东的出资额；出资证明书编号。记载于股东名册的股东，可以依股东名册主张行使股东权利。公司应当将股东的姓名或者名称向公司登记机关登记；登记事项发生变更的，应当办理变更登记。未经登记或者变更登记的，不得对抗第三人。

<Source> ^NPC 1993^: art.32

<Concept field> 外商投资企业

<Related words> 股东

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> registered capital

<Morphosyntax> noun group

<Source> ^Lo, Tian 2011^:39

<Lexica> Found in ^Cambridge Business English Dictionary 2011^

<Definition> The registered capital is the total amount of the property subscribed to by shareholders at the time of the establishment of a corporation. The law provides that registered capital is the amount of capital contribution subscribed to by shareholders for a limited liability corporation. Insofar as a joint stock limited liability corporation is concerned, registered capital is the total amount of equity subscribed to by promoters.

<Source> ^Yu 2019^:15

<Context> The minimum registered capital for a limited liability company depended on the nature of the business, for example, *Renminbi* (RMB) 500,000 for manufacturing and RMB 300,000 for commercial retailing. The minimum registered capital for a company limited by shares was RMB 10 million, and the corresponding amount for a listed company was RMB 50 million.

<Source> ^Lo, Tian 2011^:39

<Concept field> Foreign invested enterprises

<Equivalence en-zh> Between the terms “registered capital” and “注册资本” there is absolute conceptual equivalence

<zh> 注册资本

<Morphosyntax> noun group

<Style label> official

<Origin> hybrid

<Source> ^NPC 1993^: art.7

<Definition> 注册资本是指合营企业在登记管理机构登记的资本总额,是合营各方已经缴纳的或合营者承诺一定要缴纳的出资额的总和。我国法律、法规规定,合营企业成立之前必须在合营企业合同、章程中明确企业的注册资本,合营各方的出资额、出资比例、利润分配和亏损分担的比例,并向登记机构登记。

<Source> ^Liu 2006^

<Context 1> 有限责任公司的注册资本为在公司登记机关登记的全体股东认缴的出资额。法律、行政法规以及国务院决定对有限责任公司注册资本实缴、注册资本最低限额另有规定的,从其规定。

<Source> ^NPC 1993^: art.26

<Context 2> 股份有限公司采取发起设立方式设立的,注册资本为在公司登记机关登记的全体发起人认购的股本总额。在发起人认购的股份缴足前,不得向他人募集股份。股份有限公司采取募集方式设立的,注册资本为在公司登记机关登记的实收股本总额。法律、行政法规以及国务院决定对股份有限公司注册资本实缴、注册资本最低限额另有规定的,从其规定。

<Source> ^NPC 1993^: art.80

<Concept field> 外商投资企业

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> registered stock

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Yu 2019^:18

<Lexica> Found in ^Cambridge Business English Dictionary 2011^

<Definition> A type of share whose owner's name is recorded on an official list kept by the organization that sold it and must be changed if the share is sold to someone new.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> Stocks are categorized as either registered stocks or bearer stocks. Registered stocks are normally issued by a corporation to its promoters and legal person shareholders. Such stocks require a registry of the names of the promoters and the names of the legal persons. Upon transfer, the name of the transferee shareholder is required to be registered with the corporation to validate the transfer.

<Source> ^Yu 2019^:18

<Concept field> Foreign invested enterprises

<Related words> ^bearer stock^

<Type of relation> coord.

<Related words> ^joint stock corporation^

<Type of relation> general

<Equivalence en-zh> Between the terms “registered stock” and “记名股票” there is absolute conceptual equivalence

<en> registered share

<Morphosyntax> noun group

<Usage label> common

<Synonymy> (~)

<Source> ^Cambridge Business English Dictionary 2011^

<zh> 记名股票

<Morphosyntax> noun group

<Style label> official

<Source> ^NPC 1993^: art.120

<Lexica> Found in ^Si 1998^

<Definition> 又称“个人股票”。股票上记载股东姓名或名称的股票。股东姓名或名称通常写于股票背面,还应连同其地址记载于公司的股东名册上。

<Source> ^Si 1998^:

<Context> 公司发行记名股票的，应当置备股东名册，记载下列事项：股东的姓名或者名称及住所；各股东所持股份数；各股东所持股票的编号；各股东取得股份的日期。发行无记名股票的，公司应当记载其股票数量、编号及发行日期。

<Source> ^NPC 1993^> art.130

<Concept field> 外商投资企业

<Related words> ^无记名股票^

<Type of relation> coord.

<Related words> ^股份有限公司^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> remit

<Morphosyntax> verb

<Source> ^Rich 1981^:202

<Lexica> Found in ^Merriam-Webster 2016^

<Definition> to send (money) to a person or place especially in payment of a demand, account, or draft.

<Source> ^Merriam-Webster 2016^

<Context> Another concern is that foreign participants be allowed to remit their share of the venture's profits abroad. Article 10 provides that net profit and other funds "may be remitted abroad through the Bank of China in accordance with the foreign-exchange regulations. Because those foreign exchange regulations have not yet been promulgated, the terms of remission must be detailed in the agreements.

<Source> ^Rich 1981^:202

<Concept field> Foreign invested enterprises

<Related words> ^net profit^

<Type of relation> general

<Equivalence en-zh> Between the terms “remit” and “汇” there is absolute conceptual equivalence

<zh> 汇

<Morphosyntax> verb

<Style label> official

<Source> ^NPC 1986^: art.19

<Lexica> Found in ^现代汉语词典 2012^

<Phraseology> 汇往

<Definition> 通过邮局、银行等把甲地款项划拨到乙地。

<Source> ^现代汉语词典 2012^:2127

<Context> 外国投资者从外资企业获得的合法利润、其他合法收入和清算后的资金，可以汇往国外。外资企业的外籍职工的工资收入和其他正当收入，依法缴纳个人所得税后，可以汇往国外。

<Source> ^NPC 1986^: art.19

<Concept field> 外商投资企业

<Related words> ^净利润^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> repeal

<Morphosyntax> verb

<Source> ^Zhang 2020^:235

<Lexica> Found in ^Martin 2003^, ^Cambridge Business English Dictionary 2011^

<Definition> The total or partial revocation of a statute by one passed subsequently. A statute is normally repealed by express words, but if provisions of a later statute are inconsistent with those of an earlier one this will imply that Parliament intended a repeal. Repeal does not affect any transaction that has been completed under the repealed statute.

<Source> ^Martin 2003^:426

<Context> The focal point of this question is whether the FIEs may still be governed by the FIE Laws that are already repealed during the grace period.

<Source> ^Zhang 2020^:237

<Concept field> Foreign invested enterprises

<Related words> foreign investment law

<Type of relation> general

<Equivalence en-zh> Between the terms “repeal” and “废止” there is absolute conceptual equivalence

<zh> 废止

<Morphosyntax> verb

<Style label> official

<Origin> loan word

<Source> ^NPC 2020^: art.42

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 取消，不再行使(法令、制度)。

<Source> ^现代汉语词典 2012^:1403

<Context> 本法自 2020 年 1 月 1 日起施行。《中华人民共和国中外合资经营企业法》、《中华人民共和国外资企业法》、《中华人民共和国中外合作经营企业法》同时废止。

<Source> ^NPC 2020^: art.42

<Concept field> 外商投资企业

<Related words> 外商投资法, 三法

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> requisition

<Morphosyntax> verb

<Source> ^Zhang 2020^:212

<Lexica> Found in ^Merriam-Webster 2016^



<Definition 1> The taking of property by a public authority for a public use.

<Source> ^Merriam-Webster 2016^

<Definition 2> In China, requisition is generally defined as the mandatory use of collectively and privately owned property by an exercise of government power.

<Source> ^Zhang 2020^:214

<Context> Although both expropriation and requisition involve “taking” of privately owned property by government, a requisition mainly refers to an exercise of sovereignty to secure or dispose of some property or services primarily from its subjects for the performance of government function.

<Source> ^Zhang 2020^:213-214

<Concept field> Foreign invested enterprises

<Related words> ^nationalization^, ^expropriation^

<Type of relation> coord.

<Equivalence en-zh> Between the terms “requisition” and “征用” there is absolute conceptual equivalence

<zh> 征用

<Morphosyntax> verb

<Style label> official

<Source> ^NPC 2020^: art.20

<Lexica> Found in ^现代汉语词典 2012^, ^Xue 2006^

<Definition> 指为某一特定用途，将土地划拨使用，尤指为公共建设、军事用地或其他公共用途对土地进行征用。该词亦泛指通过行使征用权将私人财产转为公共使用。

<Source> ^Xue 2006^

<Context> 国家对外国投资者的投资不实行征收。在特殊情况下，国家为了公共利益的需要，可以依照法律规定对外国投资者的投资实行征收或者征用。征收、征用应当依照法定程序进行，并及时给予公平、合理的补偿。

<Source> ^NPC 2020^: art.20

<Concept field> 外商投资企业

<Related words> ^国有化^, ^征收^

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> reserve fund

<Morphosyntax> noun group

<Source> ^Lo, Tian 2011^:53

<Lexica> Found in ^Cambridge Business English Dictionary 2011^,

<Definition> Money that is kept by an organization to pay for something that may happen in the future.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> While distributing its annual after-tax profits, a company must allocate 10 percent to the statutorily required common reserve fund. The common reserve fund is to be used for covering losses, expanding production and operations, or increasing capital; however, capital common reserve fund shall not be used to make up for the company's losses. When the balance in the common reserve fund is 50 percent or more of its registered capital, the company does not need to make further allocations.

<Source> ^Lo, Tian 2011^:53

<Concept field> Foreign invested enterprises

<Related words> corporate finance

<Type of relation> super.

<Equivalence en-zh> Between the terms "reserve fund" and "储备基金" there is absolute conceptual equivalence

<zh> 储备基金

<Morphosyntax> noun group

<Style label> official

<Source> ^NPC 1979^: art.8

<Lexica> Found in ^Han, Ma 1993^

<Definition> 企业为弥补企业可能发生的亏损以及应付意外事件而从企业利润中提取的一项专款。

<Source> ^Han, Ma 1993^

<Context> 合营企业获得的毛利润，按中华人民共和国税法规定缴纳合营企业所得税后，扣除合营企业章程规定的储备基金、职工奖励及福利基金、企业发展基金，净利润根据合营各方注册资本的比例进行分配。

<Source> ^NPC 1979^: art.8

<Concept field> 外商投资企业

<Related words> 企业财务

<Type of relation> super.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> resolution (of a meeting)

<Morphosyntax> noun

<Source> ^Pisacane 2018^:3

<Lexica> Found in ^Martin 2003^, ^Merriam-Webster 2016^

<Definition> A decision reached by a majority of the members at a company meeting.

<Source> ^Martin 2003^:430

<Definition> An expression or document containing authorization usually by a corporate board of directors of a particular act, transaction, agent, or representative

<Source> ^Merriam-Webster 2016^

<Context> Article 43 of Company Law specifies that any resolution made at the Shareholders Meeting on any revision to the company's Articles of Association, any increase or reduction of its registered capital, or any combination, division, dissolution or transformation of the company must be passed by shareholders representing two-thirds or more of the voting rights.

<Source> ^Pisacane 2018^:41

<Concept field> Foreign invested enterprises

<Related words> ordinary resolution, extraordinary resolution, special resolution

<Type of relation> sub.

<Related words> ^shareholder meeting^, ^board of directors^, ^board of supervisors^

<Type of relation> general

<Equivalence en-zh> Between the terms “resolution” and “决议” there is absolute conceptual equivalence

<zh> 决议

<Morphosyntax> noun

<Style label> official

<Origin> loan word

<Source> ^NPC 1983^: art.33

<Lexica> Found in ^现代汉语词典 2012^

<Phraseology> 作出决议

<Definition> 经一定会议讨论通过的决定。

<Source> ^现代汉语词典 2012^:2603

<Context> 下列事项由出席董事会会议的董事一致通过方可作出决议：合营企业章程的修改；合营企业的中止、解散；合营企业注册资本的增加、减少；合营企业的合并、分立。

<Source> ^NPC 1983^: art.33

<Concept field> 外商投资企业

<Related words> ^董事会^, ^股东会^, ^监事会^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> royalty

<Morphosyntax> noun

<Source> ^Lo, Tian 2011^:147

<Lexica> Found in ^Martin 2003^, ^Merriam-Webster 2016^

<Definition 1> A sum payable for the right to use someone else's property for the purpose of gain.

<Source> ^Martin 2003^:440

<Definition 2> A payment made to an author or composer for each copy of a work sold or to an inventor for each article sold under a patent.

<Source> ^Merriam-Webster 2016^

<Context> On its part, the transferee must not allow any third party to exploit the patent and must pay royalties in accordance with the terms of the contract. Likewise, the transferee of the know-how must pay the royalties and undertake the obligation of maintaining confidentiality.

<Source> ^Lo, Tian 2011^:149

<Concept field> Foreign invested enterprises

<Related words> ^intellectual property^, ^industrial property^, ^patent^, ^trademark^, ^technology transfer^

<Type of relation> general

<Equivalence en-zh> Between the terms “royalty” and “使用费” there is absolute conceptual equivalence

<zh> 使用费

<Morphosyntax> noun group

<Style label> official

<Source> ^State Council 2020^: art.22

<Lexica> Found in ^Xue 2006^

<Definition> 指在每次复制或利用受著作权或专利权保护的作品或专利发明时，应当向作者或发明人支付的报酬。

<Source> ^Xue 2006^

<Context> 外国投资者在中国境内的出资、利润、资本收益、资产处置所得、取得的知识产权许可使用费、依法获得的补偿或者赔偿、清算所得等，可以依法以人民币或者外汇自由汇入、汇出，任何单位和个人不得违法对币种、数额以及汇入、汇出的频次等进行限制。

<Source> ^State Council 2020^: art.22

<Concept field> 外商投资企业

<Related words> ^知识产权^, ^工业产权^, ^专利^, ^商标^, ^技术转让^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> shareholder meeting

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Yu 2019^:6

<Definition> In a limited liability company, the shareholders' meeting is [the body] composed of all the shareholders.

<Source> ^Lo, Tian 2011^:46

<Context> The Company Law gives broad powers to the shareholder meeting including decision-making powers regarding the operational and investment plans of the corporation, electing or changing directors or supervisors who are non-employee representatives, making decisions regarding compensation matters involving directors and supervisors, approving the report of the board of directors and the report of the board of supervisors, approving financial and fiscal plans and any profit distribution plan, making decisions with respect to any increase or decrease of registered capital, resolving with respect to bond issuance, mergers, divestitures, change of corporate form, dissolution, or liquidation, and amending the articles of incorporation.

<Source> ^Yu 2019^:19

<Concept field> Foreign invested enterprises

<Related words> ^board of directors^, ^board of supervisors^

<Type of relation> coord.

<Synonyms> The synonym “board of shareholders” is used interchangeably with the term “shareholder meeting”

<Equivalence en-zh> Between the terms “shareholder meeting” and “股东会” there is relative conceptual equivalence: the English term “shareholder meeting” is used to indicate both the Chinese terms “股东会” and “股东大会”, which indicate the same body in reference to two different types of corporations, respectively limited liability corporations and joint stock corporations.

<en> board of shareholders

<Morphosyntax> noun group  
<Usage label> common  
<Source> ^Pisacane 2018^:40

<zh> 股东会

<Morphosyntax> noun  
<Style label> official  
<Source> ^NPC 1993^: art.16

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 由公司全体股东组成的有限责任公司的权力机构。

<Source> ^现代汉语词典 2012^:1714

<Context> 股东会行使下列职权：决定公司的经营方针和投资计划；选举和更换非由职工代表担任的董事、监事，决定有关董事、监事的报酬事项；审议批准董事会的报告；审议批准监事会或者监事的报告；审议批准公司的年度财务预算方案、决算方案；审议批准公司的利润分配方案和弥补亏损方案；对公司增加或者减少注册资本作出决议；对发行公司债券作出决议；对公司合并、分立、解散、清算或者变更公司形式作出决议；修改公司章程；公司章程规定的其他职权。

<Source> ^NPC 1993^: art.37

<Concept field> 外商投资企业

<Related words> ^董事会^, ^监事会^, 股东大会

<Type of relation> coord.

<Synonyms> 由公司全体股东组成的股份有限公司的权力机构不成为《股东会》而称为《股东大会》。这两个词语都翻译成英语的《shareholder meeting》。

<zh> 股东大会

<Morphosyntax> noun  
<Usage label> common  
<Synonymy> (~)  
<Source> ^NPC 1993^: art.98

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> Sino-foreign contractual joint venture

<Morphosyntax> noun group

<Usage label> main term

<Source> ^ Lo, Tian 2011^:73

<Lexica> Found in ^Reuters 2021^

<Definition> A contractual joint venture is established between a Chinese enterprise or organization and a foreign enterprise, organization or individual in China under the Sino-Foreign Co-operative Joint Venture Enterprise Law

<Source> ^Reuters 2021^

<Context> If a cooperative joint venture meets the requirements of a legal person, it will be a limited liability company. In a nonlegal-person cooperative joint venture, the parties operate as separate entities and bear liabilities independently, even though they may agree to jointly own all or part of the investments or cooperative means.

<Source> ^Lo, Tian 2011 2011^:84-85

<Concept field> Foreign invested enterprises

<Related words> ^foreign investment enterprise^

<Type of relation> super.

<Synonyms> The terms “Sino-foreign contractual joint venture” and “Sino-foreign cooperative joint venture” are used interchangeably but the latter is a more accurate translation of the Chinese term “中外合作经营企业”.

<Equivalence en-zh> Between the terms “Sino-foreign contractual joint venture” and “中外合作经营企业” there is absolute conceptual equivalence

<en> Sino-foreign cooperative joint venture

<Morphosyntax> noun group

<Source> ^ Lo, Tian 2011^:84

<en> CJV

<Morphosyntax> noun



<Category> initials

<Source> ^Yu 2019^:51

<Variant of> Sino-foreign contractual joint venture

<zh> 中外合作经营企业

<Morphosyntax> noun group

<Usage label> main term

<Style label> official

<Origin> hybrid

<Source> ^NPC 1988^: art.1

<Definition> 外国的企业和其他经济组织或者个人按照平等互利的原则，同中华人民共和国的企业或者其他经济组织在中国境内共同举办（的）企业。

<Source> ^NPC 1988^: art.1

<Context> 中外合资经营企业和中外合作经营企业设立时，中外投资者会订立合营企业合同和合作企业合同；在合营企业或合作企业转让时，也会订立转让合同。

<Source> ^Kong 2019^:9

<Concept field> 外商投资企业

<Related words> ^外商投资企业^

<Type of relation> super.

<zh> 合作企业

<Morphosyntax> noun group

<Category> short form

<Style label> official

<Source> ^NPC 1988^: art.1

<Variant of> 中外合作经营企业

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> Sino-foreign equity joint venture

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Yu 2019^:43

<Lexica> Found in ^Reuters 2021^

<Definition> A joint venture (in the form of a limited liability company) established between a Chinese company, enterprise or organization and a foreign company, enterprise, organization or individual in China under the Sino-Foreign Equity Joint Venture Enterprise Law

<Source> ^Reuters 2021^

<Context> As LLCs, (Sino-foreign) equity joint ventures operate as legal entities that possess an independent capacity for civil liabilities; while the liability of shareholders is limited to their capital contribution, an EJV is liable for its debts to the extent of its assets.

<Source> ^Yu 2019^:50

<Concept field> Foreign invested enterprises

<Related words> ^foreign investment enterprise^

<Type of relation> super.

<Equivalence en-zh> Between the terms “Sino-foreign equity joint venture” and “中外合资经营企业” there is absolute conceptual equivalence

<en> EJV

<Morphosyntax> noun

<Category> initials

<Source> ^Yu 2019^:43

<Variant of> Sino-foreign equity joint venture

<zh> 中外合资经营企业

<Morphosyntax> noun group

<Usage label> main term

<Style label> official

<Origin> hybrid

<Source> ^NPC 1979^: art.1

<Definition> 外国公司、企业和其它经济组织或个人，按照平等互利的原则，经中国政府批准，在中华人民共和国境内，同中国的公司、企业或其它经济组织共同举办（的）企业

<Source> ^NPC 1979^: art.1

<Context> 对于原三类外资企业的组织形式均适用《公司法规定》，不再采取原法律中的组织形式规定，例如中外合资经营企业只能是有限责任公司形式。

<Source> ^Peng 2019^:36

<Concept field> 外商投资企业

<Related words> ^外商投资企业^

<Type of relation> super.

<zh> 合营企业

<Morphosyntax> noun group

<Category> short form

<Style label> official

<Source> ^NPC 1979^: art.1

<Variant of> 中外合资经营企业

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> special economic zone

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Zhang 2020^:198

<Lexica> Found in ^Cambridge Business English Dictionary 2011^

<Definition 1> An area with particular economic advantages, for example lower taxes than the rest of the country, to encourage investment and development there.

<Source> ^Cambridge Business English Dictionary 2011^

<Definition 2> A specific area established with the approval by the State for which more vigorous opening-up policy and measures for foreign investment will be implemented

<Source> ^Zhang 2020^: 199

<Context> On the other hand, as a continuing effort to promote foreign investment, Article 13 of the FIL provides that the State may establish special economic zones where needed or adopt pilot policy measures for foreign investment in selected regions. Both “special economic zones” and “pilot policy measures” suggest that certain preferential treatments or incentives may be adopted to apply only to foreign investments.

<Source> ^Zhang 2020^:198

<Concept field> Foreign invested enterprises

<Related words> foreign investment law

<Type of relation> general

<Equivalence en-zh> Between the terms “special economic zone” and “特殊经济区域” there is relative conceptual equivalence: the Chinese noun group “特殊经济区域” should not be confused with its synonym “经济特区”, which is also translated with the English term “special economic zone” and indicates the more general meaning of the concept. The use of “特殊经济区域” has been found exclusively in relation to the policies pertaining to the Foreign Investment Law of the People’s Republic of China (2020).

<en> SEZ

<Morphosyntax> noun

<Category> acronym

<Usage label> common

<Source> ^Potter 1993^:13

<Variant of> special economic zone

<Context> The WFOE began as an experiment of sorts in the Special Economic Zones (the "SEZs") situated in the southern part of China.

<Source> ^Potter 1993^:13

<zh> 特殊经济区域

<Morphosyntax> noun group

<Style label> official

<Usage label> main term

<Source> ^NPC 2020^: art.13

<Definition> 经国家批准设立、实行更大力度的对外开放政策措施的特定区域。

<Source> ^State Council 2020^: art.10

<Context> 国家根据需要，设立特殊经济区域，或者在部分地区实行外商投资试验性政策措施，促进外商投资，扩大对外开放。

<Source> ^NPC 2020^: art.13

<Concept field> 外商投资企业

<Related words> 外商投资法

<Type of relation> general

<zh> 经济特区

<Morphosyntax> noun group

<Origin> loan word

<Style label> official

<Usage label> common

<Synonymy> (>)

<Source> ^State Council 1983^: art.104

<Definition> 为有效地吸收外资和先进技术、发展对外贸易而设置的实行特殊的经济政策和经济管理体制的地区。

<Source> ^现代汉语词典 2012^:2504

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> special meeting

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Yu 2019^:19

<Lexica> Found in ^Merriam-Webster 2016^

<Definition> A meeting held for a special and limited purpose; specifically, a corporate meeting held occasionally in addition to the annual meeting to conduct only business described in a notice to the shareholders.

<Source> ^Merriam-Webster 2016^

<Context> Special meetings can be called by proposal made by shareholders with one-tenth of the votes or with one-third of the votes by the board of supervisors. [...] The law provides that a JSC may call for a special meeting if there is no quorum present at a board of directors meeting, if requested by shareholders holding 10 per cent or more of the shares of the corporation singularly or jointly, if the board of directors deems it necessary, or if proposed by the board of supervisors.

<Source> ^Yu 2019^:19-20

<Concept field> Foreign invested enterprises

<Related words> ^shareholder meeting^, general shareholder meeting

<Type of relation> super.

<Related words> ^annual meeting^,

<Type of relation> coord.

<Equivalence en-zh> Between the terms “special meeting” and “临时会议” there is absolute conceptual equivalence

<en> extraordinary meeting

<Morphosyntax> noun group

<Usage label> common

<Synonymy> (~)

<Source> ^Cambridge Business English Dictionary 2011^

<zh> 临时会议

<Morphosyntax> noun group

<Style label> official

<Source> ^NPC 1993^: art.39

<Lexica> Found in ^ Han, Ma 1993^

<Definition> 亦称股东特别大会或特别股东大会。股东大会的形式之一。必要时临时召开的股东大会。凡是由于某种原因而召开的临时股东大会，都是议决关于股份公司的特别重要事项而举行的。股东临时会是在两次股东常会之间不定期召开的。

<Source> ^Han, Ma 1993^

<Context> 股东会会议分为定期会议和临时会议。定期会议应当依照公司章程的规定按时召开。代表十分之一以上表决权的股东，三分之一以上的董事，监事会或者不设监事会的公司的监事提议召开临时会议的，应当召开临时会议。

<Source> ^NPC 1993^: art.39

<Concept field> 外商投资企业

<Related words> ^股东会^, 股东大会

<Type of relation> super.

<Related words> ^定期会议^

<Type of relation> coord.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> specialized general partnership enterprise

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Lo, Tian 2011^:30

<Definition> The Specialized General Partnership Enterprise is a special form of the GPE. All partners of the SGPE are general partners. However, the distinct objective of the SGPE is providing paid services to clients with specialized knowledge and skills, such as lawyers, accountants, and other professional service firms. The SGPE shields partners of professional service firms from liabilities due to the misconduct or negligence of their co-partners. A special liability regulation applies to debts that are incurred by partners while performing their professional services.

<Source> ^Kuntner 2021^:159

<Context> In the case of a specialized general partnership, if proof of professional qualifications of the partners is required by law or administrative regulation, the credentials of the partners must also be produced.

<Source> ^Lo, Tian 2011^:31

<Concept field> Foreign invested enterprises

<Related words> ^general partnership enterprise^, ^limited partnership enterprise^, ^foreign invested partnership enterprise^

<Type of relation> coord.

<Related words> ^partnership enterprise^

<Type of relation> super.

<Equivalence en-zh> Between the terms “specialized general partnership enterprise” and “特殊的普通合伙企业” there is absolute conceptual equivalence

<en> SGPE

<Morphosyntax> noun

<Category> initials

<Usage label> common

<Source> ^Kuntner 2021^:159

<Variant of> Specialized general partnership enterprise

<zh> 特殊的普通合伙企业

<Morphosyntax> noun group

<Style label> official

<Origin> hybrid

<Source> ^NPC 1997^: art.55

<Definition> 特殊的普通合伙企业是指合伙人依照[以下]的规定承担责任的普通合伙企业：一个合伙人或者数个合伙人在执业活动中因故意或者重大过失造成合伙企业债务的，应当承担无限责任或者无限连带责任，其他合伙人以其在合伙企业中的财产份额为限承担责任。合伙人在执业活动中非因故意或者重大过失造成的合伙企业债务以及合伙企业的其他债务，由全体合伙人承担无限连带责任。

<Source> ^NPC 1997^: art.55,57

<Context> 以专业知识和专门技能为客户提供有偿服务的专业服务机构，可以设立为特殊的普通合伙企业。

<Source> ^NPC 1997^: art.55

<Concept field> 外商投资企业

<Related words> ^普通合伙企业^, ^有限合伙企业^, ^外商投资合伙企业^



<Type of relation> coord.

<Related words> ^合伙企业^

<Type of relation> super.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> state-owned enterprise

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Kuntner 2021^:58

<Lexica> Found in ^Cambridge Business English Dictionary 2011^, ^Merriam-Webster 2016^

<Definition> A company that is owned by a government.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> Another principle of early foreign investment policy was to provide incentives to foreign investors that were not available to domestic enterprises, which were predominantly State-Owned Enterprises (SOEs) at that time.

<Source> ^Kuntner 2021^:58

<Concept field> Foreign invested enterprises

<Related words> enterprise

<Type of relation> super.

<Related words> private enterprise

<Type of relation> ant.

<Equivalence en-zh> Between the terms “state-owned enterprise” and “国有企业” there is absolute conceptual equivalence

<en> SOE

<Morphosyntax> noun

<Category> initials

<Usage label> common

<Source> ^Kuntner 2021^:58

<Variant of> state-owned enterprise

<Context> A problem with regard to the Chinese partner can result from the regulation in the PEL that excludes SOEs from acting as general partner. Especially for infrastructure projects in China, a SOE would likely be involved as one project partner.

<Source> ^Kuntner 2021^:181

<en> public corporation

<Morphosyntax> noun group

<Usage label> common

<Synonymy> (~)

<Source> ^Kuntner 2021^:189

<en> government corporation

<Morphosyntax> noun group

<Usage label> common

<Synonymy> (~)

<Source> ^Merriam-Webster 2016^

<zh> 国有企业

<Morphosyntax> noun group

<Usage label> main term

<Style label> official

<Origin> hybrid

<Source> ^NPC 1997^: art.3

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 指我国的社会主义全民所有制企业。是国家占有并控制全部或大部分资产的企业。原来由国家直接经营管理，称为国营企业。在经济体制改革中，所有权和经营权开始分离，国家原则上不参与直接经营，改称为国有企业。简称国企。

<Source> ^现代汉语词典 2012^:1828

<Context> 国有独资公司、国有企业、上市公司以及公益性的事业单位、社会团体不得成为普通合伙人。

<Source> ^NPC 1997^: art.3

<Concept field> 外商投资企业

<Related words> 企业

<Type of relation> super

<Related words> 私人企业

<Type of relation> ant.

<zh> 国企

<Morphosyntax> noun

<Category> short form

<Usage label> common

<Source> ^现代汉语词典 2012^

<Variant of> 国有企业

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> subsidiary

<Morphosyntax> noun

<Source> ^Lo, Tian 2011^:45

<Lexica> Found in ^Martin 2003^, ^Cambridge Business English Dictionary 2011^

<Definition> A company that is owned or controlled by another company.

<Source> ^Cambridge Business English Dictionary 2011^

<Context> If a company establishes a subsidiary, the subsidiary itself will independently assume civil liabilities because it has the status of a legal person.

<Source> ^Lo, Tian 2011^:45

<Concept field> Foreign invested enterprises

<Related words> ^branch^, holding company, parent company

<Type of relation> coord.

<Related words> ^company^

<Type of relation> super.

<Equivalence en-zh> Between the terms “subsidiary” and “子公司” there is absolute conceptual equivalence

<zh> 子公司

<Morphosyntax> noun

<Style label> official

<Source> ^NPC 1993^: art.14

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 具有独立法人资格，被另一公司控股的公司。

<Source> ^现代汉语词典 2012^:6206

<Context> 公司可以设立子公司，子公司具有法人资格，依法独立承担民事责任。

<Source> ^NPC 1993^: art.14

<Concept field> 外商投资企业

<Related words> ^分公司^, 母公司

<Type of relation> coord.

<Related words> ^公司^

<Type of relation> super.

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> technology transfer

<Morphosyntax> noun group

<Source> ^Zhang 2020^:188

<Lexica> Found in ^Martin 2003^

<Definition> The licensing of intellectual property.

<Source> ^Martin 2003^:492

<Context> The above strategy and relevant provisions of laws have been criticized as the forced technology transfer or FTT—a practice in which a domestic government forces foreign business to share their technology with the domestic counterparts in exchange for market access. Despite

China's strong denial of any such practice in the country, the complaints from foreign companies were widely spreading.

<Source> ^Zhang 2020^:215

<Concept field> Foreign invested enterprises

<Related words> ^intellectual property^, ^industrial property^, ^patent^, ^trademark^, ^royalty^

<Type of relation> general

<Equivalence en-zh> Between the terms “technology transfer” and “技术转让” there is absolute conceptual equivalence

<zh> 技术转让

<Morphosyntax> noun group

<Style label> official

<Source> ^State Council 1983^: art.40

<Lexica> Found in ^Zou 1991^

<Definition> 关于制造产品、应用生产方法或提供服务的系统知识的转移,但不包括货物的单纯买卖或租赁。它不仅是指技术知识以及随同技术一起转让的机器设备在空间的移动,而且是指技术在新的环境中被获得、吸收和掌握的有机统一过程。

<Source> ^Zou 1991^

<Context> 本条例所称引进技术,是指合营企业通过技术转让的方式,从第三者或者合营者获得所需要的技术。

<Source> ^State Council 1983^: art.40

<Concept field> 外商投资企业

<Related words> ^知识产权^, ^工业产权^, ^专利^, ^商标^, ^使用费^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> trademark

<Morphosyntax> noun

<Source> ^Yu 2019^:62

<Lexica> Found in ^Martin 2003^, ^Merriam-Webster 2016^

<Definition> A distinctive symbol that identifies particular products of a trader to the general public. The symbol may consist of a device, words, or a combination of these.

<Source> ^Martin 2003^:503

<Context> Non-cash forms of industrial property or proprietary technologies given to the joint venture must be presented in relevant documentation which certifies the validity of patents or trademarks, the basis for determining the price and the agreement about price signed with the Chinese shareholder.

<Source> ^Yu 2019^:62

<Concept field> Foreign invested enterprises

<Related words> ^intellectual property^, ^industrial property^

<Type of relation> super.

<Related words> ^patent^

<Type of relation> coord.

<Related words> ^technology transfer^, ^royalty^

<Type of relation> general

<Equivalence en-zh> Between the terms “trademark” and “商标” there is absolute conceptual equivalence

<zh> 商标

<Morphosyntax> noun

<Style label> official

<Origin> loan word

<Source> ^State Council 1983^: art.26

<Lexica> Found in ^现代汉语词典 2012^

<Definition> 企业用来使自己的产品或服务与其他企业的产品或服务相区别的具有明显特征的标志。包括工业、商业或服务商标等。商标经注册后受法律保护。

<Source> ^现代汉语词典 2012^:4091

<Context> 外国合营者以工业产权或者专有技术作为出资，应当提交该工业产权或者专有技术的有关资料，包括专利证书或者商标注册证书的复制件、有效状况及其技术特

性、实用价值、作价的计算根据、与中国合营者签订的作价协议等有关文件，作为合营合同的附件。

<Source> ^State Council 1983^: art.26

<Concept field> 外商投资企业

<Related words> ^知识产权^, ^工业产权^

<Type of relation> super.

<Related words> ^专利^

<Type of relation> sub.

<Related words> ^技术转让^, ^使用费^

<Type of relation> general

\*\*

<Subject> Law/Diritto

<Subfield> Business enterprises/Imprese

<en> wholly foreign-owned enterprise

<Morphosyntax> noun group

<Usage label> main term

<Source> ^Powell 1987^:129

<Lexica> Found in ^Reuters 2021^

<Definition> A Chinese limited liability company that is wholly owned by foreign investor(s), established under the Wholly Foreign-Owned Enterprise Law

<Source> ^Reuters 2021^

<Context> Unlike the equity joint venture, the wholly foreign-owned enterprise by definition has no Chinese equity partner.

<Source> ^Powell 1987^:129

<Concept field> Foreign invested enterprises

<Related words> ^foreign investment enterprise^

<Type of relation> super.

<Equivalence en-zh> Between the terms “wholly foreign-owned enterprise” and “外资企业” there is absolute conceptual equivalence

<en> WFOE

<Morphosyntax> noun

<Category> initials

<Source> ^Yu 2019^:52

<Variant of> Wholly foreign-owned enterprise

<zh> 外资企业

<Morphosyntax> noun group

<Usage label> main term

<Style label> official

<Origin> hybrid

<Source> ^NPC 1986^: art.2

<Definition> 外资企业是指依照中国有关法律在中国境内设立的全部资本由外国投资者投资的企业，不包括外国的企业和其他经济组织在中国境内的分支机构。

<Source> ^NPC 1986^: art.2

<Context> 制定外资企业法，一方面可以使外资企业的经营活动有法可依，保护外资企业的合法权益；另一方面也便于政府对外资企业的监督和管理，以维护社会公共利益。

<Source> ^Zhang 1986^> 44

<Concept field> 外商投资企业

<Related words> ^外商投资企业^

<Type of relation> super.

<zh> 外商独资企业

<Morphosyntax> noun group

<Category> full form

<Source> ^Zhang 1986^:43

<Variant of> 外资企业

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## English – Chinese quick reference table

| English                 | Pinyin              | 中文    |
|-------------------------|---------------------|-------|
| Account books           | kuàijì zhàngbù      | 会计账簿  |
| Accrual accounting      | quán zé fāshēng zhì | 权责发生制 |
| Act of God              | zìrán zāihài        | 自然灾害  |
| Annual meeting          | dìngqī huìyì        | 定期会议  |
| Appoint                 | rènmìng             | 任命    |
| Approve                 | pīzhǔn              | 批准    |
| Arbitration             | zhòngcái            | 仲裁    |
| Articles of association | gōngsī zhāngchéng   | 公司章程  |
| Assign                  | zhuǎnràng           | 转让    |
| Bankruptcy              | pòchǎn              | 破产    |
| Bearer stock            | wújìmíng gǔpiào     | 无记名股票 |
| Board of directors      | dǒngshìhuì          | 董事会   |
| Board of supervisors    | jiānshìhuì          | 监事会   |
| Branch                  | fēn gōngsī          | 分公司   |
| Business license        | yíngyè zhízhào      | 营业执照  |
| Capital contribution    | chūzī é             | 出资额   |
| Chairman of the board   | dǒngshì zhǎng       | 董事长   |
| Company                 | gōngsī              | 公司    |
| Compensate              | bǔcháng             | 补偿    |
| Conciliation            | tiáojiě             | 调解    |
| Convene                 | zhàojí              | 召集    |
| Dispute                 | jiūfēn              | 纠纷    |
| Dissolution             | jiěsàn              | 解散    |

|  |                                   |            |
|--|-----------------------------------|------------|
| Divestiture                                    | fēnli                             | 分立         |
| Dividend                                       | hónglì                            | 红利         |
| Domicile                                       | zhùsuǒ                            | 住所         |
| Enterprise credit information publicity system | qǐyè xìnyòng xìnxī gōngshì xìtǒng | 企业信用信息公示系统 |
| Establish                                      | shèlì                             | 设立         |
| Establishment by public share offer            | mùjí shèlì                        | 募集设立       |
| Establishment by sponsorship                   | fāqǐ shèlì                        | 发起设立       |
| Executive director                             | zhíxíng dǒngshì                   | 执行董事       |
| Expropriation                                  | zhēngshōu                         | 征收         |
| Feasibility study                              | kěxíng xìng yánjiū                | 可行性研究      |
| Financing                                      | róngzī                            | 融资         |
| Force majeure                                  | bùkěkànglì                        | 不可抗力       |
| Foreign invested enterprise                    | wàishāng tóuzī qǐyè               | 外商投资企业     |
| Foreign invested partnership enterprise        | wàishāng tóuzī héhuǒ qǐyè         | 外商投资合伙企业   |
| Foreign investment                             | wàiguó tóuzī                      | 外国投资       |
| General manager                                | zǒng jīnglǐ                       | 总经理        |
| General partner                                | pǔtōng héhuǒ rén                  | 普通合伙人      |
| General partnership enterprise                 | pǔtōng héhuǒ qǐyè                 | 普通合伙企业     |
| Gross profit                                   | máo lìrùn                         | 毛利润        |
| Industrial property                            | gōngyè chǎnquán                   | 工业产权       |
| Insurance                                      | bǎoxiǎn                           | 保险         |
| Intellectual property                          | zhīshì chǎnquán                   | 知识产权       |
| Joint and several liability                    | liándài zérèn                     | 连带责任       |
| Joint stock corporation                        | gǔfèn yǒuxiàn gōngsī              | 股份有限公司     |
| joint venture agreement                        | héyíng qǐyè xiéyì                 | 合营企业协议     |
| Joint venture contract                         | héyíng qǐyè hétóng                | 合营企业合同     |

|                                |                      |        |
|--------------------------------|----------------------|--------|
| Labor union                    | gōnghuì              | 工会     |
| Legal person                   | fǎrén                | 法人     |
| Legal representative           | fǎdìng dàibiǎo rén   | 法定代表人  |
| Limited liability corporation  | yǒuxiàn zérèn gōngsī | 有限责任公司 |
| Limited partner                | yǒuxiàn héhuǒ rén    | 有限合伙人  |
| Limited partnership enterprise | yǒuxiàn héhuǒ qǐyè   | 有限合伙企业 |
| Liquidation                    | qīngsuàn             | 清算     |
| Liquidation committee          | qīngsuàn zǔ          | 清算组    |
| Listed company                 | shàngshì gōngsī      | 上市公司   |
| Market price                   | shìchǎng jiàgé       | 市场价格   |
| Merger                         | hébing               | 合并     |
| National treatment             | guómín dàiyù         | 国民待遇   |
| Nationalization                | guóyǒu huà           | 国有化    |
| Natural person                 | zìránrén             | 自然人    |
| Negative list                  | fùmiàn qīngdān       | 负面清单   |
| Net profit                     | jìng lìrùn           | 净利润    |
| Partnership enterprise         | héhuǒ qǐyè           | 合伙企业   |
| Patent                         | zhuānlì              | 专利     |
| Preside                        | zhǔchí               | 主持     |
| Quorum                         | fǎdìng rénrshù       | 法定人数   |
| Recoup                         | huíshōu              | 回收     |
| Register of shareholder        | gǔdōng míngcè        | 股东名册   |
| Registered capital             | zhùcè zīběn          | 注册资本   |
| Registered stock               | jì míng gǔpiào       | 记名股票   |
| Remit                          | huì                  | 汇      |
| Repeal                         | fèizhǐ               | 废止     |

|  |                              |           |
|--|------------------------------|-----------|
| Requisition                                | zhēngyòng                    | 征用        |
| Reserve fund                               | chúbèi jījīn                 | 储备基金      |
| Resolution                                 | juéyì                        | 决议        |
| Royalty                                    | shǐyòng fèi                  | 使用费       |
| Shareholder meeting                        | gǔdōng huì                   | 股东会       |
| Sino-foreign contractual joint venture     | zhōngwài hézuò jīngyíng qǐyè | 中外合作经营企业  |
| Sino-foreign equity joint venture          | zhōngwài hézī jīngyíng qǐyè  | 中外合资经营企业  |
| Special economic zone                      | tèshū jīngjì qūyù            | 特殊经济区域    |
| Special meeting                            | línshí huìyì                 | 临时会议      |
| Specialized general partnership enterprise | tèshū de pǔtōng héhuǒ qǐyè   | 特殊的普通合伙企业 |
| State owned enterprise                     | guóyǒu qǐyè                  | 国有企业      |
| Subsidiary                                 | zǐ gōngsī                    | 子公司       |
| Technology transfer                        | jìshù zhuǎnràng              | 技术转让      |
| Trademark                                  | shāngbiāo                    | 商标        |
| Wholly foreign-owned enterprise            | wàizī qǐyè                   | 外资企业      |

## Chinese – English quick reference table

| 中文     | Pinyin               | English                      |
|--------|----------------------|------------------------------|
| 保险     | bǎoxiǎn              | Insurance                    |
| 补偿     | bǔcháng              | Compensate                   |
| 不可抗力   | bùkěkànglì           | Force majeure                |
| 储备基金   | chúbèi jījīn         | Reserve fund                 |
| 出资额    | chūzī é              | Capital contribution         |
| 定期会议   | dìngqī huìyì         | Annual meeting               |
| 董事长    | dǒngshì zhǎng        | Chairman of the board        |
| 董事会    | dǒngshìhuì           | Board of directors           |
| 法定代表人  | fǎdìng dài biǎo rén  | Legal representative         |
| 法定人数   | fǎdìng rénshù        | Quorum                       |
| 发起设立   | fāqǐ shèlì           | Establishment by sponsorship |
| 法人     | fǎrén                | Legal person                 |
| 废止     | fèizhǐ               | Repeal                       |
| 分公司    | fēn gōngsī           | Branch                       |
| 分立     | fēnlì                | Divestiture                  |
| 负面清单   | fùmiàn qīngdān       | Negative list                |
| 工会     | gōnghuì              | Labor union                  |
| 公司     | gōngsī               | Company                      |
| 公司章程   | gōngsī zhāngchéng    | Articles of association      |
| 工业产权   | gōngyè chǎnquán      | Industrial property          |
| 股东会    | gǔdōng huì           | Shareholder meeting          |
| 股东名册   | gǔdōng míngcè        | Register of shareholder      |
| 股份有限公司 | gǔfèn yǒuxiàn gōngsī | Joint stock corporation      |

|        |                    |                                     |
|--------|--------------------|-------------------------------------|
| 国民待遇   | guómín dàiyù       | National treatment                  |
| 国有化    | guóyǒu huà         | Nationalization                     |
| 国有企业   | guóyǒu qīyè        | State owned enterprise              |
| 合并     | hébìng             | Merger                              |
| 合伙企业   | héhuǒ qīyè         | Partnership enterprise              |
| 合营企业合同 | héyíng qīyè hétóng | Joint venture contract              |
| 合营企业协议 | héyíng qīyè xiéyì  | joint venture agreement             |
| 红利     | hónglì             | Dividend                            |
| 汇      | huì                | Remit                               |
| 回收     | huíshōu            | Recoup                              |
| 监事会    | jiānshìhuì         | Board of supervisors                |
| 解散     | jiěsàn             | Dissolution                         |
| 记名股票   | jì míng gǔpiào     | Registered stock                    |
| 净利润    | jìng lìrùn         | Net profit                          |
| 技术转让   | jìshù zhuǎnràng    | Technology transfer                 |
| 纠纷     | jiūfēn             | Dispute                             |
| 决议     | juéyì              | Resolution                          |
| 可行性研究  | kěxíng xìng yánjiū | Feasibility study                   |
| 会计账簿   | kuàijì zhàngbù     | Account books                       |
| 连带责任   | liándài zérèn      | Joint and several liability         |
| 临时会议   | línshí huìyì       | Special meeting                     |
| 毛利润    | máo lìrùn          | Gross profit                        |
| 募集设立   | mùjí shèlì         | Establishment by public share offer |
| 批准     | pīzhǔn             | Approve                             |
| 破产     | pòchǎn             | Bankruptcy                          |
| 普通合伙企业 | pǔtōng héhuǒ qīyè  | General partnership enterprise      |



|            |                                   |  |
|------------|-----------------------------------|--|
| 普通合伙人      | pǔtōng héhuǒ rén                  | General partner                                |
| 清算         | qīngsuàn                          | Liquidation                                    |
| 清算组        | qīngsuàn zǔ                       | Liquidation committee                          |
| 企业信用信息公示系统 | qǐyè xìnyòng xìnxī gōngshì xìtǒng | Enterprise credit information publicity system |
| 权责发生制      | quán zé fāshēng zhì               | Accrual accounting                             |
| 任命         | rènmìng                           | Appoint  |
| 融资         | róngzī                            | Financing                                      |
| 商标         | shāngbiāo                         | Trademark                                      |
| 上市公司       | shàngshì gōngsī                   | Listed company                                 |
| 设立         | shèlì                             | Establish                                      |
| 市场价格       | shìchǎng jiàgé                    | Market price                                   |
| 使用费        | shǐyòng fèi                       | Royalty  |
| 特殊的普通合伙企业  | tèshū de pǔtōng héhuǒ qǐyè        | Specialized general partnership enterprise     |
| 特殊经济区域     | tèshū jīngjì qūyù                 | Special economic zone                          |
| 调解         | tiáojiě                           | Conciliation                                   |
| 外国投资       | wàiguó tóuzī                      | Foreign investment                             |
| 外商投资合伙企业   | wàishāng tóuzī héhuǒ qǐyè         | Foreign invested partnership enterprise        |
| 外商投资企业     | wàishāng tóuzī qǐyè               | Foreign invested enterprise                    |
| 外资企业       | wàizī qǐyè                        | Wholly foreign-owned enterprise                |
| 无记名股票      | wújìmíng gǔpiào                   | Bearer stock                                   |
| 营业执照       | yíngyè zhízhào                    | Business license                               |
| 有限合伙企业     | yǒuxiàn héhuǒ qǐyè                | Limited partnership enterprise                 |
| 有限合伙人      | yǒuxiàn héhuǒ rén                 | Limited partner                                |
| 有限责任公司     | yǒuxiàn zérèn gōngsī              | Limited liability corporation                  |
| 召集         | zhàojí                            | Convene  |
| 征收         | zhēngshōu                         | Expropriation                                  |

|          |                              |  |
|----------|------------------------------|--|
| 征用       | zhēngyòng                    | Requisition                            |
| 知识产权     | zhīshì chǎnquán              | Intellectual property                  |
| 执行董事     | zhíxíng dǒngshì              | Executive director                     |
| 仲裁       | zhòngcái                     | Arbitration                            |
| 中外合资经营企业 | zhōngwài hézī jīngyíng qǐyè  | Sino-foreign equity joint venture      |
| 中外合作经营企业 | zhōngwài hézuò jīngyíng qǐyè | Sino-foreign contractual joint venture |
| 专利       | zhuānli                      | Patent                                 |
| 转让       | zhuǎnràng                    | Assign                                 |
| 注册资本     | zhùcè zīběn                  | Registered capital                     |
| 主持       | zhǔchí                       | Preside                                |
| 住所       | zhùsuǒ                       | Domicile                               |
| 子公司      | zǐ gōngsī                    | Subsidiary                             |
| 自然灾害     | zìrán zāihài                 | Act of God                             |
| 自然人      | zìránrén                     | Natural person                         |
| 总经理      | zǒng jīnglǐ                  | General manager                        |

## Concluding remarks on the glossary

The Chinese-English glossary that constitutes the second part of this thesis is aimed at providing a comprehensive overview on the terminology pertaining foreign invested enterprises, with particular focus on the Chinese legislation regulating this form of business vehicle. The terms selected derive from both the old legal framework (which was in force from 1979 to 2019) and new legal environment created after the promulgation of the 2020 Foreign Investment Law, and pertain to both the life cycle of these companies and the general treatment of foreign investments.

In the redaction of the glossary, the terminological records were compiled in accordance to the standards of the TERMIT database and it was chosen to strictly select terms which are contained in Chinese legal documents; accordingly, in all records analyzing Chinese terms can be found the attribute field “style label” specifying the official use of the term.

Additionally, the terminological analysis was focused on the identification of loanwords present in the Chinese modern language that derive from a Japanese root. Out of the 90 terms contained in the glossary, 46 were identified as loanwords in the attribute field “origin”; of these, 29 are terms with a direct counterpart in the Japanese language, while the others were characterized as hybrid loanwords, i.e. words composed of elements drawn from different languages, specifically in this case Chinese and Japanese.

This last cluster is constituted mainly by noun groups, of which one component is a standard loanword and the other is an original Chinese character. The most illustrative example of this second category is constituted by all terms containing the word “企业” (*qiye* in Chinese and *kigyo* in Japanese, meaning “enterprise”).

Notably, the identified loanwords are part of the basics of legal terminology, such as “仲裁” (*zhongcai* in Chinese and *chusai* in Japanese, meaning “arbitration”), “住所” (*zhusuo* in Chinese and *jusho* in Japanese, meaning “domicile”), “法人” (*faren* in Chinese and *hojin* in Japanese, meaning “legal person”), “清算” (*qingsuan* in Chinese and *seisan* in Japanese, meaning “liquidation”) and “废止” (*feizhi* in Chinese and *haishi* in Japanese, meaning “repeal”). This is consistent with the existing literature, which indicates the early stages of development of the modern Chinese legal system as the period in which Japan exerted the highest degree of influence on the Chinese legal vocabulary, approximately from the 1870s to the first decades of the twentieth century.

The study of Japanese loanwords in modern Chinese is a widely examined research topic: scholars estimate that as much as 30% of basic vocabulary of modern Chinese can be traced back to Japanese and that the influence of the language of the land of the rising sun was instrumental in the creation of the modern multi-syllabic Chinese vocabulary (Zhao, 2006). Cohen and Harold (1970) classify Japanese loanwords in Chinese in three categories: pure Japanese words; words deriving from classical Chinese which were first used by the Japanese to convey European concepts, then borrowed back into Chinese with the new connotation; and Japanese neologisms created as direct equivalents to western terms.

The Japanese began an extensive study of Western civilizations after the Meiji Restoration (1868), and translated works on science, technology, politics, economics and philosophy. These studies culminated in the promulgation of the Meiji Constitution (1889) and five codes (civil, criminal, civil procedure, criminal procedure, and commercial) inspired by French and German models, which were all adopted over the course of ten years (Cohen & Harold, 1970).

Although China had begun translating Western works as early as the First Opium War, the quality of Japanese works was significantly higher (Yan, 2008). In China, the first important translator of Western law in China was W. A. P. Martin, who published the translation of *Elements of International Law* by Henry Wheaton in 1864 with the title *Wanguo gongfa* 万国公法. In his work, Martin devised a series of new terms to convey concepts which were proper of the western legal systems. His translation, however, was deemed inadequate and most of those terms were replaced later on with more satisfactory alternatives devised by the Japanese law scholars (Chiu, 1968).

The importance of Martin's work went beyond the borders of China: *Wanguo gongfa* was the very first book on international law to reach Japan. Additionally, Japanese students were sent abroad to study international law since the beginning of the 1860s, almost a decade before China started doing the same.

In this historical context, a significant number of European codes arrived in China through the filter of Japanese translations, and the legal terminology utilized therein began being adopted by the Chinese scholars (Yan, 2008). Aside from the obvious similarities between the Japanese and Chinese writing systems, another factor that greatly facilitated this mutual exchange was a technique called *hewen handu fa* 和文汉读法 (Learning Japanese through Chinese) which was developed by Liang Qichao at the turn of the century and allowed

Chinese readers to understand Japanese texts even without being proficient in the language (Xiao & Sun, 2016).

This phenomenon began to wane after a couple of decades, when an increasing number of Chinese scholars began studying in Europe and the United States, thus developing a direct knowledge of international law without relying on the Japanese medium. The introduction of the Japanese translations and influx of legal terminology, however, not only represented a radical departure from the past, but also drafted the blueprints for the future development of the Chinese language of law (Chiu, 1968).

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