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1. **MOFCOM cancels several restrictions for the approval for foreign investments**
2. **Supreme Court releases interpretation for civil cases related to notarization**

1. MOFCOM cancels several restrictions for the approval for foreign investments

To implement the reform plans regarding the registration of registered capital recently issued by the State Council, the Ministry of Commerce of the PRC (“MOFCOM”) released a *Notice on Improving the Administration for the Approval for Foreign Investment* on 17 June 2014. The main content is the following:

1. Restrictions for the proportion of initial capital contribution, monetary contribution and time limit of capital contribution for foreign-invested enterprises (“FIEs”) are cancelled. Subscribed capital contribution, forms and time limit of capital contribution may be freely agreed by the investors and shall be indicated in the contracts and Articles of Association.
2. Except where otherwise provided in laws and regulations, the restriction for the minimum registered capital of FIEs is cancelled. Except in certain sensitive industries, such as commercial banks, foreign-invested banks, trust companies etc., whose registered capital shall be paid in accordance with the relevant regulations, MOFCOM will not examine the payments of the registered capital of FIEs anymore.
3. For foreign investments approved before 1 March 2014, investors shall continue to perform their capital contribution obligations in accordance with the contracts and Articles of Association; however, investors may apply to the approval authorities to have the contract and Articles of Association adapted.
4. The proportion of the registered capital and total investment shall still be in accordance with the *Provisional Regulations for the Proportion of Registered Capital and Total Amount of Investment of Joint Ventures* and other regulations in force.
5. After the capital is actually paid in, FIEs shall issue the Capital Contribution Certificate in accordance with the law, in particular the Company Law of the PRC. The certificate shall indicate the name of the company, the date of establishment, registered capital, the name of the investor, form of capital contribution, etc. After the issuance of the Capital Contribution Certificate, such certificate shall be filed with the local approval authorities along with other capital contribution documents.

2. Supreme Court releases interpretation for civil cases related to notarization

The Supreme Court has released *Several Provisions of the Supreme People's Court on Civil Cases Related to Notary Activities* („the Provisions“) with effect as of 6 June 2014. The Provisions clarify several open issues regarding the application of the Notary Law Of the PRC, which provides the legal basis for the People’s Courts to hear civil cases related to notarization.

Some of the issues which needed to be clarified were (1) the standard for the recognition of fault of the Notary Public Offices and the notaries; (2) liabilities for damages borne by the Notary Public Offices; and (3) whether the interested parties can separately file a lawsuit on the validity of the notarial certificate.

The main content of the Provisions is the following:

1. Subject of litigation and nature of responsibility: where the interested parties file a lawsuit to the People's Court according to article 43 of the Notary Law, the Notary Public Office shall be the defendant, and such case shall be accepted as a tort case.
2. Where interested parties claim to change and revoke the notarial certificate or confirm the notarial certificate as invalid, the court will not accept the case; the parties shall apply to the Notary Public Office which issued the notarial certificate for review.
3. In contrast, if any disputes occur between the interested parties in relation to the civil rights and obligations notarized in the notarial certificate, the parties may bring an action to the People's Court.
4. The standard for the recognition of fault of the Notary Public Offices in civil cases related to notarization is clarified. The following behaviors of the Notary Public Offices and the notaries shall be considered as „fault“ in accordance with article 43 of the Notary Law: (1) issuing a notarial certificate for any untrue or unlawful matter; (2) destroying or fraudulently altering the notarial certificate or notarial archive file; (3) divulging any commercial secret or personal information it has access to in its practice; (4) issuing the notarial certificate by violating the notary procedures, registration rules and industry regulations of the State Council; (5) failing to perform obligations of review and approval in course of the notarization, which leads to the notarial certificate to be false and untrue; (6) refusing to rectify a false notarial certificate upon application by the interested parties; or (7) other circumstances.
5. In cases where the parties provide false documents leading the notarial certificate to be erroneous, thus causing damage to others, the parties shall bear the responsibility. However, if a Notary Public Office fails to perform the obligations of review and approval, it shall bear a supplementary liability.
6. Exclusion of the responsibility of the Notary Public Offices: if the interested parties are fully aware that notarial certificate is untrue and illegal, but they still use the certificate, thus causing a loss of themselves, the Notary Public Offices shall not bear any responsibility.

The release of the Provisions is of great significance for the implementation of the Notary Law and the further improvement of the notary system in China.

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