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I. Guidance of the Supreme People's Court on Promoting Quality and Efficiency in Trial Work and Substantial Resolution of Conflicts and Disputes

On December 23, 2024, the *Guidance of the Supreme People's Court on Promoting Quality and Efficiency in Trial Work and Substantial Resolution of Conflicts and Disputes* (the “**Guidance**”) was released. The Guidance contains 17 clauses which seek to better safeguard the litigation rights of the parties. In this publication, we will briefly introduce some key points for the readers.

Case filing

To implement the registration system for filing cases, the matters that fall within the jurisdiction should not be arbitrarily rejected on the grounds that they do not meet conditions for filing a case. The court is required to patiently explain the law, guide the parties in submitting statements of claim and defense in accordance with the template and exercising their legitimate rights.

Consolidation of cases

The Guidance specifies the circumstances in which cases should and could be consolidated. In cases of joint litigation, the court should register a single case and prohibit the “artificial” splitting of cases. Where cases must be consolidated, consolidation must be carried out; where they may be consolidated in accordance with the law, they shall be so consolidated in principle, unless the parties raise reasonable objections. Consolidation of Trials is important to a comprehensive review of a number of actions related to the same subject matter and could provide a timely and efficient resolution of disputes.

“Justifiable Reasons” for the plaintiff in administrative litigation to sue again after withdrawing a case

The Guidance set out the “justifiable reasons” for the plaintiff in administrative litigation to sue again after a prior voluntary withdrawal of the case by the plaintiff: (i) due to deception or coercion, which is contrary to the true will of the plaintiff; or (ii) because the plaintiff has reached a settlement with the administrative organ, but the settlement has not been carried out due to the reasons of the administrative organ; (iii) due to the administrative organ's promise to settle the dispute or other practical difficulties, but the administrative organ fails to do so within the promised or reasonable period; (iv) other justifiable reasons.

Compulsory Enforcement

If the court decides to terminate the enforcement proceedings of a case where there is no property available, it should have exhausted all reasonable enforcement measures. No such decision shall be made if the following work has not been carried out: (i) issuance of enforcement notices and spending restriction orders to the person subject to enforcement, and put them in the list of enforcement debtors in breach of trust; (ii) exhaustive and comprehensive inquiries, necessary on-site investigations and search measures; (iii) disposal the property of the person subject to enforcement; (iv) imposition of fines and detention, or criminal liability procedure; (v) interviews with the applicant for enforcement; (vi) lawful adoption of other enforcement measures.

Conclusion

The development of modern society and transaction modes inevitably result in the increasing public demand for efficient and high-quality measures of dispute resolution, especially those offered by the state courts. The Guidance represents the macro objective to substantially improve the working process and quality of the state courts in China and

we look forward to observing how such an objective can be realized in judicial practice.

II. Implementation Measures for Company Registration Management

The State Administration for Market Regulation, in accordance with the Company Law of the People's Republic of China, the State Council's Provisions on the Implementation of the Registration Capital Registration System under the Company Law of the People's Republic of China, and other relevant laws and administrative regulations, has issued the Implementation Measures for Company Registration Management (hereinafter referred to as the “**Implementation Measures**”). The Implementation Measures, consisting of 29 articles, will take effect on February 10, 2025, and provide important guidance on the practical operation of company registration. This article aims to introduce the key provisions of the Implementation Measures for the reference of the potential practitioners.

New Requirements for Shareholder Contribution Types and Valuation

According to Article 6 of the Implementation Measures, shareholders may contribute capital in cash, or with non-cash and legally transferable property that can be valued in monetary terms, including physical assets, intellectual property, land use rights, equity, and debts. Shareholders may also contribute **data or virtual network property** in accordance with legal provisions if corresponding ownership rules for such property have been established under the law. However, assets prohibited from being used as contributions by laws and administrative regulations cannot be used for capital contribution.

This addition clarifies that shareholders are permitted to contribute data or virtual network property if the existing law has prescribed ownership and valuation conditions for such property.

Clarification of Treatment for Companies with Abnormal Registered Capital

Abnormal or incompliant company registrations are not uncommon in practice, especially if the existing abnormality or incompliance does not immediately affect the company's operation. The Implementation Measures specifically address the handling of companies with significant discrepancies between the registered capital and the paid-in capital. According to Article 10, for companies established before June 30, 2024, that have one of the following situations—capital commitment deadlines exceeding 30 years, registered capital exceeding RMB 1 billion, or other clearly unreasonable circumstances—the company registration authority, after comprehensive evaluation, may require the company to adjust its registered capital if the capital commitment period or registered capital violates principles of authenticity and reasonableness.

This means that the company registration authority has the right to evaluate the company's capital situation, taking factors such as the company's business scope, operating conditions, shareholders' ability to contribute, main projects, and asset scale etc. into consideration. If necessary, professional industry institutions may be consulted. The authority may demand timely adjustments if the company's capital or commitment period is deemed to be clearly unreasonable. Therefore, companies are advised to conduct self-assessments based on these standards and proactively make changes or prepare for changes to their registration if significant discrepancies are found.

Addressing the Issue of "Difficult Company Deregistration"

According to Article 22 of the Implementation Measures, if a shareholder dies, is dissolved, or is revoked, and thus prevents the company from completing its deregistration process, the legitimate successors of the former shareholder or all investors thereof may, on behalf of the shareholder, complete the necessary deregistration procedures and provide an explanation of the situation in the deregistration resolution. This provision addresses the issue where a company is unable to complete deregistration due to the death, dissolution, or revocation of a shareholder.

Assisting Courts with the Enforcement of Effective Judgments and Publicizing Information on Removal

According to Article 23 of the Implementation Measures, if a company fails to comply with legal registration obligations specified in an effective legal document, the People's Court may deliver an enforcement notice to the company registration authority, requesting assistance in removing information related to the company's legal representatives, directors, supervisors, senior management personnel, shareholders, and branch leaders. The company registration authority is required to publicize the removal information through the National Enterprise Credit Information Publicity System.

This provision clarifies that the People's Court can directly send a notice to the company registration authority to assist in the removal of relevant personnel's information from public records if the company fails to meet its legal obligations.

Conclusion

The Implementation Measures has provided numerous detailed practical guidelines which are expected to improve business environment and enhance regulatory efficiency. Through its 29 articles, the Implementation Measures offer detailed support for enterprises in

resolving operational challenges and clarify the responsibilities of enforcement authorities.

III. Energy Law of the People’s Republic of China

The Energy Law of the People’s Republic of China (“**Energy Law**”) was officially adopted on November 8, 2024, and took effect on January 1, 2025. The Energy Law is of paramount significance for ensuring the development of China’s energy sector, safeguarding national energy security and facilitating the green, low-carbon transformation of the economy and society. This article provides a brief introduction to the main provisions and noteworthy points:

Chapter 1: General Provisions

In the first chapter, the Energy Law firstly defines the term “energy” as encompassing all resources capable of providing usable energy either directly or through processing or conversion—including coal, petroleum, natural gas, nuclear energy, hydropower, wind power, solar power, biomass, geothermal energy, ocean energy, as well as electric power, heat, and hydrogen, etc. This chapter also stipulates core principles for energy-related work, such as safety, green development, and efficiency, clarifying the responsibilities of relevant regulatory authorities.

Chapter 2: Energy Planning

Planning mechanisms have long been central to China’s economic and social development. The Energy Law clarifies the legal status of various types and levels of energy planning. It identifies the relevant authorities, and explains coordination requirements.

Chapter 3: Energy Development and Utilization

This chapter consists of 19 articles and covers a range of energy resources, including fossil fuels, nuclear power, renewables and

hydrogen. It addresses matters related to energy supply, consumption, policy direction, and their interconnections with environmental protection and safe production. Many of these provisions elevate existing practices, - such as renewable energy consumption mechanisms and the promotion of alternative energy – into formal legal requirements.

Chapter 4: Energy Market System

With seven articles (Articles 40–46), this chapter confirms China’s practice in market-oriented energy reforms. It establishes guiding principles for market construction, outlines approach to natural monopoly segments, supports investment in energy trading markets, emphasizes fair access to pipelines and grid facilities, and touches on both long-term contracts and international trade. Collectively, these provisions underscore China’s commitment to fostering a robust, competitive energy market environment.

Chapter 5: Energy Storage and Emergency Response

Nine articles (Articles 47–55) under this chapter address energy supply security in both normal and extraordinary circumstances. The Energy Law recognizes a government-led, socially supported, and diversified system of energy reserves, which comprises central, local, and enterprise reserves, and spanning physical stockpiles, capacity reserves, and in-ground resources. It also establishes a unified top-down structure for emergency management, assigning specific responsibilities to energy authorities, companies, and even individuals.

Chapter 6: Energy Science and Technology Innovation

The Energy Law underscores the critical role of innovation, referencing the development of strategic energy technologies such as clean fossil-fuel utilization, renewable power, nuclear safety, hydrogen, energy storage, and efficiency measures. It calls for reinforcing financial, industrial, and procurement policies to encourage research and

innovation and aims to establish collaborative platforms and cultivate skilled talent to strengthen China's technological capabilities in the energy sphere.

Chapter 7: Supervision and Administration

This chapter assigns oversight powers of the energy authorities to those at and above the county level, detailing their right to inspect, investigate, and address violations. This chapter also provides for regulatory coordination, information sharing, and credit system construction. Provisions on dispute resolution encourage negotiation or mediation for professional matters such as pipeline access and usage, complementing existing administrative or legal channels.

Conclusion

Overall, the Energy Law stands as a crucial legal instrument and a milestone in China's energy transition, laying the groundwork for more sustainable practices. It is anticipated that further supporting regulations and policies will be introduced, and energy enterprises are advised to closely monitor subsequent interpretations and implementation guidelines.

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