

China Amend Civil Procedures Law to Expand China Courts' Exclusive Jurisdiction for More Cases

Description

The new amendments to China Civil Procedures Law were announced on 1 September 2023, mainly focusing on rules in relation to foreign-related cases. These amendments will take effect on 1 January 2024.



China Court Exclusive Jurisdiction

In regard of the scope of foreign-related cases over which China courts exercise exclusive jurisdiction, the old law only prescribed cases involving Sino-foreign equity joint venture disputes, Sino-foreign cooperative joint venture disputes and Sino-foreign cooperative exploration and development of natural resources disputes, Article 279 of the new law provides for two types of new cases that fall within the ambits of China courts' exclusive jurisdiction:

- (1) disputes over the setup, dissolution, liquidation of legal persons or other organizations that are set up within the territories of the People's Republic of China, and disputes over the validity of resolutions made by such legal persons or other organizations; and
- (2) disputes over the validity of intellectual property rights approved and granted within the territories of the People's Republic of China.

In other words, cases involving such disputes shall only be handled by China courts, excluding jurisdiction by any foreign courts.

Violation of such Chinese laws about exclusive jurisdiction may have several implications:

- (1) any agreement on jurisdiction by other foreign courts will be void before China courts;

(2) if a foreign court is entertaining a lawsuit involving a dispute that is supposed to be in the exclusive jurisdiction of China courts, then China courts won't suspend its own proceedings over the same dispute even though the foreign court commences its proceeding ahead of Chinese courts;

(3) a [foreign court judgement won't be recognized and enforced by China courts](#) if the dispute in question is within the exclusive jurisdiction of China courts.

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