

ABSTRACT

How Chinese Enterprises to Live in Freedom and Competition: Further Integration of the Corporate Law and Competition Law of China with Global Standards

Jichun SHI*

China has just thoroughly amended her corporate law and hastens to formulate an anti-monopoly law. This paper reviews its background, process, meaning as well as the problems encountered and some prospect. As there remains somewhat a mystery that China rapidly develops, it may also reflect a fringe of the reason.

To rebound then deny the planned economy once adopted, China firmly practises marketization reform. Enterprises even state-owned/controlled companies have gained their freedom in market. However, common-recognized rules haven't taken shape without sufficient gaming and, lots of quick introduced legislations are only superficial provisions. Thus, the market was for a time full of substandard companies and disordered competition.

Freedom needs to be accompanied by rules and order. As the trend of corporate legal system in developed countries, freedom and responsibility are the two contrary but not contradictory directions during the recent reform of China's corporate law. One is deregulation, e.g., introducing one-person company and the transition from approval system to registration system for the establishment of a company; while the other is adding various provisions of responsibility and liability to the *Company Law* for controlling shareholders, actual controllers, directors, supervisors and top managers.

The current *Anti-Unfair Competition Law* not only prescribes unfair competition but also counters monopoly. However, it is imperative to stipulate an *Anti-Monopoly Law*, to popularize the concept and value of free market, making systematic regulation on any kinds of monopoly. The paper makes an analysis of main issues in the law-making.

On surface, provisions of the corporate law and competition law of China are nearly sufficient, but still the expected effects may not be achieved. Only if fair and just are placed above any specific law, regulation or provision, and the rule of law is established, the said law will ultimately integrate with global standards.

* Global Research Fellow of the Hauser Global Law School Program, NYU School of Law, from the Renmin University of China.