PRC Civil Code General Provisions

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The Civil Code of the People's Republic of China was adopted at the Third Session of the Thirteenth National People's Congress on May 28, 2020, and came into effect on January 1, 2021. It is the first comprehensive civil code in the history of the People's Republic of China, consolidating and replacing the General Principles of Civil Law, General Provisions of the Civil Law, Marriage Law, Inheritance Law, Adoption Law, Guarantee Law, Contract Law, Property Law, Tort Liability Law, and General Principles of Civil Law with one unified codification. Part I: General Provisions (Articles 1 through 204) lays the foundational framework governing civil subjects, civil rights, civil juristic acts, agency, civil liability, limitation of action, and the calculation of time periods — all of which directly affect how foreign-invested enterprises engage with China's legal system. This translation is prepared for reference purposes by foreign investors, legal professionals, and compliance officers operating in or considering entry into the Chinese market.

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Chapter I — Basic Provisions

Articles 1 through 12

Article 1 — Purpose and Basis of Enactment. This Law is enacted in accordance with the Constitution for the purposes of protecting the lawful rights and interests of civil subjects, regulating civil relations, maintaining social and economic order, adapting to the requirements of the development of socialism with Chinese characteristics, and promoting the core socialist values.

Article 2 — Scope of Adjustment. The civil law adjusts the personal relations and property relations between natural persons, legal persons, and unincorporated organizations as equal subjects.

Article 3 — Protection of Civil Rights. The personal rights, property rights, and other lawful rights and interests of civil subjects are protected by law and shall not be infringed upon by any organization or individual.

Article 4 — Principle of Equality. All civil subjects are equal in legal status in civil activities.

Article 5 — Principle of Voluntariness. Civil subjects shall, in conducting civil activities, follow the principle of voluntariness and establish, modify, or terminate civil legal relations according to their own will.

Article 6 — Principle of Fairness. Civil subjects shall, in conducting civil activities, follow the principle of fairness and reasonably determine the rights and obligations of each party.

Article 7 — Principle of Good Faith. Civil subjects shall, in conducting civil activities, follow the principle of good faith, adhere to honesty, and honor their commitments. This principle is frequently invoked in commercial disputes involving foreign-invested enterprises and serves as a cornerstone of contractual

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interpretation in Chinese courts.

Article 8 — Principle of Lawfulness. Civil subjects shall not, in conducting civil activities, violate the law or contravene public order and good customs.

Article 9 — Principle of Green Development. Civil subjects shall, in conducting civil activities, be conducive to the conservation of resources and the protection of the ecological environment.

Article 10 — Sources of Law. Civil disputes shall be resolved in accordance with the law; where the law does not provide, custom may be applied, provided that such custom does not contravene public order and good customs.

Article 11 — Relationship with Other Laws. Where other laws have special provisions on civil relations, such provisions shall prevail.

Article 12 — Territorial Application. The laws of the People's Republic of China shall apply to civil activities occurring within the territory of the People's Republic of China, unless otherwise provided by law.

Chapter II — Natural Persons

Articles 13 through 56

Section 1 — Capacity for Civil Rights and Capacity for Civil Conduct

Article 13 — Commencement and Termination of Capacity for Civil Rights. A natural person shall have the capacity for civil rights from birth to death, and may enjoy civil rights and assume civil obligations in accordance with the law.

Article 14 — Equality of Capacity for Civil Rights. All natural persons are equal in capacity for civil rights.

Article 15 — Time of Birth and Time of Death. The time of birth and the time of death of a natural person shall be based on the time recorded in the birth certificate or death certificate; in the absence of such a certificate, the time recorded in the household registration or other valid identity registration shall govern. Where other evidence is sufficient to overturn the time recorded above, the time as proved by such evidence shall govern.

Article 16 — Protection of Fetal Interests. Where the protection of fetal interests is involved, such as inheritance or acceptance of gifts, the fetus shall be deemed to have the capacity for civil rights. However, if the fetus is stillborn, its capacity for civil rights shall be deemed never to have existed.

Article 17 — Natural Persons Reaching the Age of Majority. A natural person who has reached the age of 18 is an adult. A natural person under the age of 18 is a minor.

Article 18 — Full Capacity for Civil Conduct. An adult has full capacity for civil conduct and may independently perform civil juristic acts. A minor who has reached the age of 16 and whose main source of livelihood is his own labor income shall be deemed a person with full capacity for civil conduct.

Article 19 — Limited Capacity for Civil Conduct of Minors. A minor who has reached the age of 8 is a person with limited capacity for civil conduct and may perform civil juristic acts that are purely beneficial or that are appropriate to his age and intelligence; other civil juristic acts shall be performed with the consent or ratification of his legal representative.

Article 20 — No Capacity for Civil Conduct of Minors. A minor under the age of 8 is a person with no capacity for civil conduct and shall have his civil juristic acts performed by his legal representative on his behalf.

Article 21 — Adults with No Capacity for Civil Conduct. An adult who is unable to recognize his own conduct is a person with no capacity for civil conduct and shall have his civil juristic acts performed by his legal representative on his behalf.

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Article 22 — Adults with Limited Capacity for Civil Conduct. An adult who is unable to fully recognize his own conduct is a person with limited capacity for civil conduct and may perform civil juristic acts that are purely beneficial or that are appropriate to his mental health condition; other civil juristic acts shall be performed with the consent or ratification of his legal representative.

Article 23 — Guardians as Legal Representatives. The guardian of a person with no or limited capacity for civil conduct is the legal representative of such person.

Article 24 — Judicial Determination of Incapacity. Where an interested party or relevant organization applies to the people's court for a determination that an adult has no or limited capacity for civil conduct, the people's court may make such a determination. Where the circumstances on which such determination was based have ceased to exist, the people's court may, upon application, revoke the determination.

Article 25 — Domicile. The domicile of a natural person shall be his habitual residence as recorded in the household registration or other valid identity registration. Where a person's habitual residence is different from his domicile, his habitual residence shall be deemed his domicile.

Section 2 — Guardianship

Article 26 — Obligations of Parents and Children. Parents have the obligation to support, educate, and protect their minor children. Adult children have the obligation to support, assist, and protect their parents.

Article 27 — Guardians of Minors. The parents of a minor are his guardians. Where the parents of a minor are deceased or have no capacity to act as guardian, the following persons with capacity to act as guardian shall serve as guardian in the following order: (1) paternal grandparents or maternal grandparents; (2) elder brothers or elder sisters; (3) other individuals or organizations willing to serve as guardian, subject to the consent of the residents' committee, villagers' committee, or civil affairs department of the place where the minor has his domicile.

Article 28 — Guardians of Adults Without Capacity. For an adult with no or limited capacity for civil conduct, the following persons with capacity to act as guardian shall serve as guardian in the following order: (1) spouse; (2) parents or children; (3) other close relatives; (4) other individuals or organizations willing to serve as guardian, subject to the consent of the residents' committee, villagers' committee, or civil affairs department of the place where the adult has his domicile.

Article 29 — Appointment of Guardian by Will. Where a parent serving as guardian may, by will, appoint a guardian for his child.

Article 30 — Guardian Appointment by Agreement. Persons legally qualified to serve as guardian may, by agreement, determine the guardian. The true will of the ward shall be respected in such determination.

Article 31 — Court-Appointed Guardianship. Where a dispute arises over the determination of a guardian, the residents' committee, villagers' committee, civil affairs department, or the people's court shall appoint a guardian.

Article 32 — Civil Affairs Department as Guardian. Where there is no person legally qualified to act as guardian, the civil affairs department shall serve as guardian; a residents' committee or villagers' committee that meets the conditions for performing guardianship duties may also serve as guardian.

Article 33 — Adult Guardianship by Agreement. An adult with full capacity for civil conduct may, through prior consultation with his close relatives or other individuals or organizations willing to serve as guardian, determine his guardian in writing. Such guardian shall perform guardianship duties when the adult loses all or part of his capacity for civil conduct.

Article 34 — Duties and Liability of Guardians. A guardian shall perform guardianship duties on behalf of the ward and protect the personal rights, property rights, and other lawful rights and interests of the ward. A guardian who fails to perform guardianship duties or infringes upon the lawful rights and interests of the ward

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shall bear legal liability.

Article 35 — Performance of Guardianship Duties. A guardian shall perform guardianship duties in accordance with the principle most beneficial to the ward. Unless for the purpose of safeguarding the interests of the ward, a guardian shall not dispose of the ward's property.

Article 36 — Revocation of Guardianship. The people's court may, upon application by an interested party or relevant organization, revoke a guardian's qualification where the guardian: (1) commits an act that seriously damages the physical or mental health of the ward; (2) fails to perform guardianship duties or is unable to perform guardianship duties and refuses to delegate part or all of the duties to another person, thereby placing the ward in a state of distress; or (3) commits any other act that seriously infringes upon the lawful rights and interests of the ward.

Article 37 — Obligations After Revocation. Parents, children, and spouses whose guardianship qualification is revoked by the people's court in accordance with the law shall continue to bear obligations such as support and maintenance.

Article 38 — Restoration of Guardianship. Where a ward's parent or child whose guardianship qualification has been revoked by the people's court sincerely repents, the people's court may, upon application and on the premise that the true will of the ward is respected, restore the guardianship qualification on a case-by-case basis, unless the guardian committed an intentional crime against the ward.

Article 39 — Termination of Guardianship. A guardianship shall be terminated under any of the following circumstances: (1) the ward obtains or regains full capacity for civil conduct; (2) the guardian loses capacity to act as guardian; (3) the ward or the guardian dies; or (4) other circumstances as determined by the people's court for the termination of guardianship.

Section 3 — Declaration of Absence and Declaration of Death

Article 40 — Conditions for Declaration of Absence. Where a natural person's whereabouts have been unknown for two years, an interested party may apply to the people's court for a declaration that the natural person is an absentee.

Article 41 — Calculation of Period of Unknown Whereabouts. The period during which a natural person's whereabouts are unknown shall be calculated from the day following the day when the person was last sighted or lost contact. Where the person has been missing during a war, the period shall be calculated from the day the war ends or from the date confirmed by the relevant authority.

Article 42 — Property Custodian. The property of an absentee shall be placed under the custody of his spouse, adult children, parents, or any other person willing to serve as custodian. Where a dispute arises over custody or where no such person exists, the people's court shall designate a custodian.

Article 43 — Duties of Property Custodian. A property custodian shall properly manage the property of the absentee and safeguard his property rights and interests.

Article 44 — Replacement of Property Custodian. Where a property custodian fails to perform custodial duties, infringes upon the property rights and interests of the absentee, or loses capacity to act as custodian, an interested party may apply to the people's court for replacement of the custodian.

Article 45 — Revocation of Declaration of Absence. Where an absentee reappears, the people's court shall, upon his application or the application of an interested party, revoke the declaration of absence.

Article 46 — Conditions for Declaration of Death. Where a natural person falls under any of the following circumstances, an interested party may apply to the people's court for a declaration of death: (1) the person's whereabouts have been unknown for four years; or (2) the person's whereabouts have been unknown for two years as a result of an accident, and relevant authorities certify that the person could not possibly have survived. Where the period of unknown whereabouts ends but the person is confirmed as

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unable to survive, the two-year period does not apply.

Article 47 — Concurrent Applications. Where an interested party applies for a declaration of death of a natural person for whom another interested party has already applied for a declaration of absence, the people's court shall declare the person dead if the conditions for declaration of death are met.

Article 48 — Date of Death. For a person declared dead by the people's court, the date on which the judgment declaring his death is rendered shall be deemed the date of his death; where death is declared as a result of an accident in which the person's whereabouts have been unknown, the date of occurrence of the accident shall be deemed the date of death.

Article 49 — Validity of Civil Juristic Acts. Civil juristic acts performed by a natural person after being declared dead but while still alive shall remain valid.

Article 50 — Revocation of Declaration of Death. Where a person declared dead reappears, the people's court shall, upon application of the person or an interested party, revoke the declaration of death.

Article 51 — Marriage After Revocation. The marriage relationship of a person whose declaration of death is revoked shall be automatically restored from the date of revocation of the declaration of death, unless the spouse has remarried or makes a written declaration to the marriage registration authority that he or she does not wish to resume the marriage.

Article 52 — Adoption After Revocation. Where a child of a person whose declaration of death has been revoked was lawfully adopted by another person during the period of declaration of death, the person may not claim that the adoption is invalid solely on the ground that the adoption was made without his consent.

Article 53 — Return of Property After Revocation. Where the declaration of death of a person is revoked, the person shall have the right to request the return of his property acquired by a third party in accordance with the provisions of Book Six of this Code. Where return in kind is not possible, appropriate compensation shall be made.

Section 4 — Individual Industrial and Commercial Households and Rural Contracting Households

Article 54 — Individual Industrial and Commercial Households. A natural person who engages in industrial or commercial operations upon lawful registration is an individual industrial and commercial household. An individual industrial and commercial household may adopt a trade name. Note for foreign investors: While foreign nationals are generally restricted from registering as individual industrial and commercial households, foreign-invested enterprises frequently engage with such entities as suppliers, distributors, or counterparties.

Article 55 — Rural Contracting Households. Members of a rural collective economic organization who lawfully obtain the right to contracted management of rural land and engage in household-based contractual operations are rural contracting households.

Article 56 — Liability for Debts. The debts of an individual industrial and commercial household shall be borne by the individual's property where the business is operated by an individual, or by the family's property where the business is operated by the family. Where it is impossible to distinguish, the debts shall be borne by the family's property. The debts of a rural contracting household shall be borne by the property of the rural household engaged in the contractual operation.

Chapter III — Legal Persons

Articles 57 through 101

Section 1 — General Provisions

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Article 57 — Definition of Legal Person. A legal person is an organization that has the capacity for civil rights and the capacity for civil conduct, independently enjoys civil rights and assumes civil obligations in accordance with the law. All companies incorporated in China — including wholly foreign-owned enterprises (WFOEs), Sino-foreign joint ventures, and representative offices that qualify — are legal persons under this definition.

Article 58 — Conditions for Establishment. A legal person shall be established in accordance with the law. A legal person shall have its own name, organizational structure, domicile, and property or funds. The specific conditions and procedures for the establishment of a legal person shall be as prescribed by laws and administrative regulations. Where laws or administrative regulations provide that the establishment of a legal person shall be subject to the approval of a relevant authority, such provisions shall apply.

Article 59 — Capacity for Civil Rights and Civil Conduct. The capacity for civil rights and the capacity for civil conduct of a legal person arise from the time of its establishment and cease upon its termination.

Article 60 — Independent Liability. A legal person shall independently bear civil liability to the extent of all of its property.

Article 61 — Legal Representative. The person in charge of conducting business on behalf of a legal person in accordance with the law or the articles of association of the legal person is the legal representative of the legal person. The legal consequences of civil activities conducted by the legal representative in the name of the legal person shall be assumed by the legal person. Restrictions on the representative authority of the legal representative provided in the articles of association or by the authority of the legal person shall not be set up against a bona fide third party. This is particularly relevant for foreign investors: even if internal corporate resolutions limit the legal representative's authority, such limitations may not bind third parties who transact in good faith.

Article 62 — Liability for Acts of Legal Representative. Where the legal representative causes damage to another person in the performance of duties, the legal person shall bear civil liability for such damage. After assuming civil liability, the legal person may seek indemnification from the legal representative at fault in accordance with the law or the articles of association.

Article 63 — Domicile of Legal Person. The domicile of a legal person shall be the place where its principal place of business is located. Where a legal person is required to register in accordance with the law, the place where its principal place of business is registered shall be its domicile.

Article 64 — Registration Amendments. Where any registered matter of a legal person changes during the period of its existence, the legal person shall apply to the registration authority for amendment registration in accordance with the law.

Article 65 — Effect of Registration. The actual circumstances of a legal person that are inconsistent with the registered matters shall not be set up against a bona fide third party.

Article 66 — Public Access to Registration. The registration authority shall, in accordance with the law, promptly publicize registration information of legal persons.

Article 67 — Merger and Division. Where a legal person merges, its rights and obligations shall be enjoyed and assumed by the legal person surviving the merger. Where a legal person divides, its rights and obligations shall be enjoyed and assumed jointly and severally by the legal persons resulting from the division, unless otherwise agreed between the creditors and the debtor.

Article 68 — Termination of Legal Person. A legal person shall be terminated under any of the following circumstances and upon completion of liquidation and deregistration in accordance with the law: (1) dissolution; (2) declaration of bankruptcy in accordance with the law; or (3) other circumstances provided by law. Where laws or administrative regulations provide that the termination of a legal person shall be subject to approval, such provisions shall apply.

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Article 69 — Dissolution. A legal person shall be dissolved under any of the following circumstances: (1) expiration of the term of existence as provided in the articles of association or occurrence of any other cause of dissolution provided in the articles of association; (2) resolution of the authority of the legal person to dissolve; (3) dissolution required as a result of merger or division of the legal person; (4) revocation of the business license or registration certificate, or being ordered to close down or being dissolved in accordance with the law; or (5) other circumstances provided by law.

Article 70 — Liquidation Obligors. Upon dissolution of a legal person, unless in the case of merger or division, the liquidation obligors shall form a liquidation group in a timely manner to carry out liquidation. The members of the executive body or decision-making body of the legal person, such as directors or council members, are liquidation obligors, unless otherwise provided by laws or administrative regulations. Where liquidation obligors fail to perform liquidation obligations in a timely manner, thereby causing damage, they shall bear civil liability.

Article 71 — Liquidation Procedures. The liquidation procedures, functions, and powers of the liquidation group shall be governed by the relevant provisions of laws, and may also be governed by the provisions on the liquidation of companies in the Company Law of the People's Republic of China.

Article 72 — Residual Property Distribution. Upon completion of liquidation and deregistration, the legal person shall be terminated. Where the existence of the legal person is not required by law to be registered, the legal person shall be terminated upon completion of liquidation. The residual property of a legal person after liquidation shall be disposed of in accordance with its articles of association or the resolution of its authority, or in accordance with relevant provisions of laws.

Article 73 — Bankruptcy. Where a legal person is declared bankrupt, its assets shall be disposed of in accordance with the bankruptcy procedures prescribed by law.

Article 74 — Branches. A legal person may establish branches in accordance with the law. Where a branch is required to be registered in accordance with laws or administrative regulations, such registration shall be carried out. The civil liability arising from the activities of a branch shall be assumed by the legal person. Foreign companies operating through a branch or representative office in China should note that the parent entity bears ultimate liability.

Article 75 — Pre-Establishment Activities. Civil activities conducted by a promoter in the name of the legal person to be established for the purpose of establishing the legal person shall have their legal consequences assumed by the legal person after its establishment. Where the legal person is not established, the legal consequences shall be assumed by the promoter; where there are two or more promoters, they shall bear joint and several liability.

Section 2 — For-Profit Legal Persons

Article 76 — Definition. A legal person established for the purpose of making profits and distributing the profits to its shareholders and other investors is a for-profit legal person. For-profit legal persons include limited liability companies, joint stock limited companies, and other enterprise legal persons. All foreign-invested companies in China fall within this category.

Article 77 — Establishment by Registration. A for-profit legal person shall be established upon registration in accordance with the law. The registration authority shall issue a business license to a for-profit legal person.

Article 78 — Business License. The registration authority shall issue a business license to a for-profit legal person lawfully established. The date of issuance of the business license shall be the date of establishment of the for-profit legal person.

Article 79 — Articles of Association. The promoters of a for-profit legal person shall formulate the articles of association in accordance with the law.

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Article 80 — Authority of For-Profit Legal Person. A for-profit legal person shall establish an authority. The authority shall have the power to amend the articles of association, elect or replace members of the executive body and supervisory body, and perform other functions and powers as provided in the articles of association.

Article 81 — Executive Body. A for-profit legal person shall establish an executive body. The executive body shall have the power to convene meetings of the authority, decide on business and investment plans, establish internal management structures, and perform other functions and powers as provided in the articles of association. Where the executive body is a board of directors or an executive director, the legal representative shall be the chairman of the board of directors, the executive director, or the general manager in accordance with the articles of association.

Article 82 — Supervisory Body. A for-profit legal person shall establish a supervisory body, such as a board of supervisors or a supervisor, to supervise the performance of duties by the executive body and senior management personnel of the legal person in accordance with the law.

Article 83 — Prohibition on Abuse of Rights. An investor of a for-profit legal person shall not abuse his rights as an investor to damage the interests of the legal person or the lawful rights and interests of other investors. An investor who abuses his rights as an investor and thereby causes damage to the legal person or other investors shall bear civil liability in accordance with the law. An investor of a for-profit legal person shall not abuse the independent status of the legal person as a legal entity or the limited liability of the investor to damage the interests of creditors of the legal person. Where an investor abuses the independent status of the legal person or the limited liability of the investor to evade debts and thereby seriously damages the interests of creditors, the investor shall be jointly and severally liable for the debts of the legal person.

Article 84 — Related-Party Transactions. The controlling investor, actual controller, director, supervisor, or senior manager of a for-profit legal person shall not take advantage of any related-party relationship to damage the interests of the legal person. Any person who takes advantage of a related-party relationship and thereby causes damage to the legal person shall bear liability for compensation.

Article 85 — Validity of Defective Resolutions. Where the convocation procedures or voting method of a resolution of the authority or executive body of a for-profit legal person violates the law, administrative regulations, or the articles of association, or where the content of the resolution violates the articles of association, an investor of the for-profit legal person may, within 60 days from the date the resolution is made, request the people’s court to revoke the resolution. However, the civil legal relationship already formed between the for-profit legal person and a bona fide third party based on such resolution shall not be affected.

Article 86 — Social Responsibility. A for-profit legal person shall, in the course of business operations, abide by business ethics, safeguard transaction security, accept supervision by the government and the public, and assume social responsibilities.

Section 3 — Non-Profit Legal Persons

Article 87 — Definition. A legal person established for public welfare purposes or other non-profit purposes and that does not distribute profits to its investors, promoters, or members is a non-profit legal person. Non-profit legal persons include public institutions, social organizations, foundations, and social service organizations.

Article 88 — Public Institutions. A public institution that meets the conditions for being a legal person and is established upon registration in accordance with the law for the purpose of providing public welfare services shall obtain the status of a public institution legal person. A public institution that is not required by law to register as a legal person shall obtain the status of a public institution legal person from the date of its establishment.

Article 89 — Decision-Making Body. A public institution legal person shall establish a council or any other decision-making body, unless otherwise provided by law.

Article 90 — Social Organizations. A social organization that meets the conditions for being a legal person and is established upon registration in accordance with the law for purposes such as public welfare or the common interests of its members shall obtain the status of a social organization legal person. A social organization that is not required by law to register as a legal person shall obtain the status of a social organization legal person from the date of its establishment.

Article 91 — Articles of Association and Organization. A social organization legal person shall formulate articles of association in accordance with the law and establish an authority such as a members' congress. The social organization legal person shall establish an executive body such as a council.

Article 92 — Foundations and Social Service Organizations. A foundation or social service organization that meets the conditions for being a legal person and is established upon registration in accordance with the law with donated property for the purpose of public welfare shall obtain the status of a donation-based legal person. Places of religious activity that are lawfully established and meet the conditions for being a legal person may apply for registration as a legal person and obtain the status of a donation-based legal person.

Article 93 — Articles of Association and Organization. A donation-based legal person shall formulate articles of association in accordance with the law and establish a decision-making body such as a council and an executive body. The legal representative shall be the person in charge as provided in the articles of association.

Article 94 — Rights of Donors. A donor shall have the right to inquire into the use and management of the donated property and to make suggestions and comments to the donation-based legal person, which shall provide a timely and truthful reply. Where the decision-making body or executive body of the donation-based legal person makes a decision or the legal representative makes a decision whose procedures violate the law, administrative regulations, or the articles of association, or the content violates the articles of association, the donor or any other interested party or the competent authority may apply to the people's court for revocation.

Article 95 — Residual Property on Termination. Upon termination of a non-profit legal person established for public welfare purposes, its residual property shall not be distributed to its investors, promoters, or members. The residual property shall be used for public welfare purposes in accordance with the provisions of the articles of association or the resolution of the authority. Where it is impossible to dispose of the residual property in accordance with the provisions of the articles of association or the resolution of the authority, the competent authority shall arrange for the transfer of the residual property to another legal person with the same or similar purpose and make a public announcement.

Section 4 — Special Legal Persons

Article 96 — Scope. State organ legal persons, rural collective economic organization legal persons, urban and rural cooperative economic organization legal persons, and primary-level self-governing mass organization legal persons are special legal persons as provided in this Section.

Article 97 — State Organ Legal Persons. A state organ with independent funds and the capacity to bear civil liability in accordance with the law shall obtain the status of a state organ legal person from the date of its establishment and may engage in civil activities necessary for the performance of its functions.

Article 98 — Termination. A state organ legal person shall be terminated upon its dissolution as decided by law, and its civil rights and obligations shall be enjoyed and assumed by the successor state organ legal person; where there is no successor, the state organ legal person that made the decision on dissolution shall enjoy and assume such rights and obligations.

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Article 99 — Rural Collective Economic Organization Legal Persons. A rural collective economic organization shall obtain the status of a legal person in accordance with the law. Where laws or administrative regulations on rural collective economic organizations provide otherwise, such provisions shall apply.

Article 100 — Urban and Rural Cooperative Economic Organization Legal Persons. An urban or rural cooperative economic organization shall obtain the status of a legal person in accordance with the law. Where laws or administrative regulations on urban and rural cooperative economic organizations provide otherwise, such provisions shall apply.

Article 101 — Primary-Level Self-Governing Mass Organization Legal Persons. A residents' committee or villagers' committee that meets the conditions for being a legal person shall obtain the status of a primary-level self-governing mass organization legal person and may engage in civil activities necessary for the performance of its functions. Where a village collective economic organization has not been established, the villagers' committee may perform the functions of the village collective economic organization in accordance with the law.

Chapter IV — Unincorporated Organizations

Articles 102 through 108

Article 102 — Definition and Types. An unincorporated organization is an organization that does not have the status of a legal person but may engage in civil activities in its own name in accordance with the law. Unincorporated organizations include sole proprietorship enterprises, partnerships, and professional service organizations without legal person status. Foreign investors should be aware that partnerships (including foreign-invested partnerships) are a common form of business organization that falls under this chapter rather than the legal persons chapter.

Article 103 — Establishment. An unincorporated organization shall be registered in accordance with the law, unless otherwise provided by laws or administrative regulations. Where the establishment of an unincorporated organization is subject to approval by a relevant authority in accordance with laws or administrative regulations, such approval shall be obtained.

Article 104 — Joint and Several Liability. Where the property of an unincorporated organization is insufficient to satisfy its debts, its investors or promoters shall assume unlimited liability for such debts, unless otherwise provided by law.

Article 105 — Representative. An unincorporated organization may designate one or more of its investors or promoters to conduct civil activities on behalf of the organization.

Article 106 — Dissolution. An unincorporated organization shall be dissolved under any of the following circumstances: (1) occurrence of a cause of dissolution as provided in the articles of association or agreed upon by the investors or promoters; (2) decision of the investors or promoters to dissolve; or (3) no other circumstance where continued existence is required by law.

Article 107 — Liquidation. Upon dissolution of an unincorporated organization, liquidation shall be carried out in accordance with the law.

Article 108 — Application by Reference. In addition to the provisions of this Chapter, the provisions of Section 1 of Chapter III of this Part shall apply to unincorporated organizations by reference.

Chapter V — Civil Rights

Articles 109 through 132

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Article 109 — Personal Liberty and Dignity. The personal liberty and personal dignity of a natural person shall be protected by law.

Article 110 — Rights of Natural and Legal Persons. A natural person shall enjoy the rights to life, body, health, name, portrait, reputation, honor, privacy, and marital autonomy and other rights. A legal person or unincorporated organization shall enjoy the rights to name, reputation, and honor and other rights.

Article 111 — Protection of Personal Information. The personal information of a natural person shall be protected by law. Any organization or individual that needs to obtain the personal information of another person shall obtain such information in accordance with the law, ensure the security of such information, and shall not illegally collect, use, process, or transmit the personal information of another person, nor illegally trade, provide, or disclose the personal information of another person.

Article 112 — Marital and Family Rights. The personal rights arising from marriage or family relations shall be protected by law.

Article 113 — Equal Protection of Property Rights. The property rights of civil subjects shall be equally protected by law.

Article 114 — Real Rights. Civil subjects shall enjoy real rights in accordance with the law. Real rights are the exclusive rights enjoyed by the right holder over a specific thing in accordance with the law, including ownership, usufruct, and security interest.

Article 115 — Types of Things. Things include immovable property and movable property. Where the law provides that a right shall be the object of a real right, such provision shall apply.

Article 116 — Principle of Statutory Real Rights. The types and contents of real rights shall be prescribed by law.

Article 117 — Expropriation. For the purposes of public interest, immovable or movable property may be expropriated in accordance with the authority and procedures prescribed by law, and fair and reasonable compensation shall be provided.

Article 118 — Obligatory Rights. Civil subjects shall enjoy obligatory rights in accordance with the law. Obligatory rights are the rights of the obligee to request a specific obligor to perform or refrain from performing an act, arising from contracts, torts, negotiorum gestio, unjust enrichment, and other provisions of law.

Article 119 — Contractual Rights. A contract lawfully formed shall be legally binding on the parties thereto.

Article 120 — Tort Liability. Where a civil right or interest has been infringed upon, the injured party shall have the right to request the tortfeasor to assume tort liability.

Article 121 — Negotiorum Gestio. A person who manages the affairs of another person without a statutory or contractual obligation shall have the right to request the beneficiary to reimburse necessary expenses incurred.

Article 122 — Unjust Enrichment. Where a person obtains an improper benefit without legal basis and thereby causes a loss to another person, the person suffering the loss shall have the right to request the person who has obtained the improper benefit to return the benefit.

Article 123 — Intellectual Property Rights. Civil subjects shall enjoy intellectual property rights in accordance with the law. Intellectual property rights are exclusive rights enjoyed by the right holder in accordance with the law over the following objects: (1) works; (2) inventions, utility models, and designs; (3) trademarks; (4) geographical indications; (5) trade secrets; (6) layout designs of integrated circuits; (7) new plant varieties; and (8) other objects as prescribed by law. Foreign investors should note that China recognizes and protects all major categories of IP rights, and specific protection is provided under the Patent Law, Trademark Law,

Copyright Law, and Anti-Unfair Competition Law.

Article 124 — Inheritance Rights. A natural person shall enjoy the right of inheritance in accordance with the law. Lawful private property of a natural person may be inherited in accordance with the law.

Article 125 — Equity Interests and Other Investment Rights. Civil subjects shall enjoy investment rights such as equity interests in accordance with the law. Shareholders' rights in foreign-invested companies are protected as civil rights under this provision.

Article 126 — Other Civil Rights and Interests. Civil subjects shall enjoy other civil rights and interests as prescribed by law.

Article 127 — Data and Virtual Property. Where the law provides for the protection of data and online virtual property, such provisions shall apply.

Article 128 — Special Protection for Minors, the Elderly, Disabled, Women, and Consumers. Where the law provides for the special protection of minors, the elderly, the disabled, women, consumers, and other persons, such provisions shall apply.

Article 129 — Acquisition of Civil Rights. Civil rights may be acquired through civil juristic acts, factual acts, events prescribed by law, or other means prescribed by law.

Article 130 — Exercise of Rights at Will. Civil subjects shall exercise their civil rights according to their own will without interference.

Article 131 — Consistency of Rights and Obligations. Civil subjects shall perform their obligations in accordance with the law or the agreement of the parties while exercising their rights.

Article 132 — Prohibition on Abuse of Rights. Civil subjects shall not abuse their civil rights to damage the national interests, the public interest, or the lawful rights and interests of others.

Chapter VI — Civil Juristic Acts

Articles 133 through 160

Section 1 — General Provisions

Article 133 — Definition. A civil juristic act is the act of a civil subject to establish, modify, or terminate a civil legal relationship through expression of intent.

Article 134 — Formation. A civil juristic act may be formed on the basis of the expression of intent by two or more parties unanimously, or on the basis of the expression of intent by a single party. A resolution of a legal person or an unincorporated organization made in accordance with the voting procedures and methods prescribed by law or stipulated in the articles of association shall be formed as a civil juristic act.

Article 135 — Form of Expression of Intent. A civil juristic act may be in written, oral, or any other form. Where laws or administrative regulations provide or the parties agree that a specific form shall be adopted, such form shall be adopted.

Article 136 — Effective Time and Binding Force. A civil juristic act shall become effective upon its formation, unless otherwise provided by law or agreed by the parties. The actor shall not arbitrarily modify or rescind the civil juristic act, unless it is modified or rescinded in accordance with the law or with the consent of the other party.

Section 2 — Expression of Intent

Article 137 — Effective Time of Expression of Intent Addressed to Specific Persons. An expression of intent addressed to a specific person shall become effective when it reaches such person. Where an expression of intent in the form of a data message is addressed to a specific person and the person has designated a

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specific system to receive the data message, the expression of intent shall become effective when the data message enters such specific system; where no specific system is designated, the expression of intent shall become effective when the person knows or should have known that the data message has entered his system.

Article 138 — Effective Time of Expression of Intent Not Addressed to Specific Persons. An expression of intent not addressed to a specific person shall become effective upon its making, unless otherwise provided by law.

Article 139 — Expression of Intent by Public Announcement. An expression of intent made by public announcement shall become effective upon the publication of the announcement.

Article 140 — Forms of Expression of Intent. An actor may make an expression of intent expressly or by implication. Silence shall be deemed to be an expression of intent only where it is so provided by law, agreed by the parties, or consistent with the trade usage between the parties.

Article 141 — Withdrawal of Expression of Intent. An actor may withdraw his expression of intent. The notice of withdrawal of an expression of intent shall reach the recipient before or at the same time as the expression of intent reaches the recipient.

Article 142 — Interpretation of Expression of Intent. Where the interpretation of an expression of intent addressed to a specific person is in dispute, the meaning of the expression shall be determined in accordance with the words and sentences used, taking into account relevant provisions, the nature and purpose of the act, trade usage, and the principle of good faith. Where the interpretation of an expression of intent not addressed to a specific person is in dispute, the true intent of the actor shall prevail, rather than a purely literal interpretation.

Section 3 — Validity of Civil Juristic Acts

Article 143 — Conditions for Validity. A civil juristic act shall be valid if the following conditions are met: (1) the actor has the corresponding capacity for civil conduct; (2) the expression of intent is genuine; and (3) the act does not violate the mandatory provisions of laws or administrative regulations, nor contravene public order and good customs.

Article 144 — Invalidity: Incapacity. A civil juristic act performed by a person with no capacity for civil conduct shall be invalid.

Article 145 — Voidable: Limited Capacity. A civil juristic act performed by a person with limited capacity for civil conduct that is purely beneficial or that is appropriate to his age, intelligence, or mental health condition shall be valid. Other civil juristic acts performed by such person shall be valid upon consent or ratification by his legal representative. The counterparty may urge the legal representative to ratify within 30 days of receipt of notice. Where the legal representative fails to respond, ratification shall be deemed to have been refused.

Article 146 — Invalidity: Sham Expression of Intent. A civil juristic act performed through a sham expression of intent by the actor and the counterparty shall be invalid. The validity of a civil juristic act concealed by a sham expression of intent shall be determined in accordance with the relevant provisions of law.

Article 147 — Voidable: Material Misunderstanding. Where a civil juristic act is performed by the actor under a material misunderstanding, the actor shall have the right to request the people’s court or an arbitral institution to revoke the act. This is particularly relevant in cross-border transactions where differing legal systems or language barriers may give rise to misunderstandings.

Article 148 — Voidable: Fraud. Where a party, by fraudulent means, causes the other party to perform a civil juristic act contrary to its true intent, the defrauded party shall have the right to request the people’s court or an arbitral institution to revoke the act.

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Article 149 — Voidable: Third-Party Fraud. Where a third party commits fraud, causing a party to perform a civil juristic act contrary to its true intent, and the other party knows or should have known of such fraud, the defrauded party shall have the right to request the people's court or an arbitral institution to revoke the act.

Article 150 — Voidable: Duress. Where a party performs a civil juristic act contrary to its true intent as a result of duress by the other party or a third party, the coerced party shall have the right to request the people's court or an arbitral institution to revoke the act.

Article 151 — Voidable: Taking Advantage of Distress. Where a party takes advantage of the other party's state of distress or lack of judgment and thereby causes the civil juristic act to be manifestly unfair at the time of formation, the injured party shall have the right to request the people's court or an arbitral institution to revoke the act.

Article 152 — Extinction of Right of Revocation. The right of revocation shall be extinguished under any of the following circumstances: (1) the party with the right of revocation fails to exercise the right within one year from the date it knew or should have known of the cause of revocation, or within 90 days in the case of material misunderstanding; (2) the party with the right of revocation, with knowledge of the cause of revocation, expressly states or indicates through its conduct that it waives the right; or (3) the party with the right of revocation fails to exercise the right within five years from the date of performance of the civil juristic act. Where a party is coerced into performing a civil juristic act, the one-year period shall be calculated from the date the coercion ceases.

Article 153 — Invalidity: Violation of Law or Public Order. A civil juristic act that violates the mandatory provisions of laws or administrative regulations shall be invalid, unless the mandatory provision does not render the civil juristic act invalid. A civil juristic act that contravenes public order and good customs shall be invalid.

Article 154 — Invalidity: Malicious Collusion. A civil juristic act performed by an actor and a counterparty in malicious collusion to damage the lawful rights and interests of another person shall be invalid.

Article 155 — Retroactive Invalidity. A civil juristic act that is invalid or revoked shall have no legally binding force from the outset.

Article 156 — Partial Invalidity. Where part of a civil juristic act is invalid without affecting the validity of the other parts, the other parts shall remain valid.

Article 157 — Consequences of Invalidity or Revocation. After a civil juristic act is determined to be invalid or is revoked or determined to have no effect, the property acquired by the actor as a result of the act shall be returned. Where return is impossible or unnecessary, compensation shall be made at a discounted value. The party at fault shall compensate the other party for the losses suffered as a result thereof. Where both parties are at fault, each shall bear its respective liability. Where the law provides otherwise, such provisions shall apply.

Section 4 — Conditional and Time-Limited Civil Juristic Acts

Article 158 — Conditional Civil Juristic Acts. A civil juristic act may be subject to a condition, unless the nature of the act precludes the attachment of a condition. A civil juristic act subject to a condition precedent shall become effective upon fulfillment of the condition. A civil juristic act subject to a condition subsequent shall cease to be effective upon fulfillment of the condition.

Article 159 — Prevention of Condition Fulfillment. Where a party, for its own benefit, improperly prevents the fulfillment of a condition, the condition shall be deemed to have been fulfilled. Where a party improperly facilitates the fulfillment of a condition, the condition shall be deemed not to have been fulfilled.

Article 160 — Time-Limited Civil Juristic Acts. A civil juristic act may be subject to a time limit, unless the nature of the act precludes the attachment of a time limit. A civil juristic act with a time limit for effectiveness

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shall become effective upon expiration of the time limit. A civil juristic act with a time limit for termination shall cease to be effective upon expiration of the time limit.

Chapter VII — Agency

Articles 161 through 175

Section 1 — General Provisions

Article 161 — Scope of Agency. A civil subject may perform a civil juristic act through an agent. A civil juristic act that shall be performed by the principal in person in accordance with the law, the agreement of the parties, or the nature of the act shall not be performed through an agent. In commercial practice, foreign investors routinely transact through authorized agents — corporate legal representatives, attorneys-in-fact, and commercial agents — making this chapter essential reading.

Article 162 — Effect of Agency. The legal consequences of a civil juristic act performed by the agent in the name of the principal within the scope of authority shall be assumed by the principal.

Article 163 — Types of Agency. Agency includes authorized agency and statutory agency. An authorized agent shall exercise the power of agency as authorized by the principal. A statutory agent shall exercise the power of agency in accordance with the provisions of law.

Article 164 — Liability of Agent. An agent who fails to perform or improperly performs agency duties and thereby causes damage to the principal shall bear civil liability. Where an agent and a counterparty maliciously collude to damage the lawful rights and interests of the principal, the agent and the counterparty shall bear joint and several liability.

Section 2 — Authorized Agency

Article 165 — Form of Authorization. The authorization for authorized agency shall be made in writing, stating the name or title of the agent, the matters authorized, the scope of authority, and the period of authorization, and shall be signed or sealed by the principal.

Article 166 — Joint Agency. Where two or more agents are authorized for the same matter, the agents shall jointly exercise the power of agency, unless otherwise agreed by the parties.

Article 167 — Illegal Agency. Where an agent knows or should have known that the matter authorized is illegal but still performs the agency act, or where the principal knows or should have known that the agent's act is illegal but fails to object, the principal and the agent shall bear joint and several liability.

Article 168 — Prohibition on Self-Dealing. An agent shall not perform a civil juristic act in the name of the principal with himself, unless consented to or ratified by the principal. An agent shall not perform a civil juristic act in the name of the principal with another person he represents at the same time, unless consented to or ratified by both principals.

Article 169 — Sub-Agency. Where an agent needs to appoint a sub-agent for the performance of agency duties, the agent shall obtain the consent or ratification of the principal. Where the principal's consent or ratification has been obtained, the principal may directly instruct the sub-agent on the matters of agency, and the agent shall be liable only for the selection of the sub-agent and the agent's own instructions to the sub-agent. Where sub-agency is not consented to or ratified by the principal, the agent shall bear liability for the acts of the sub-agent, unless the sub-agency is necessitated by an emergency to protect the interests of the principal.

Article 170 — Agency by Employees. Civil juristic acts performed by a person performing work tasks for a legal person or an unincorporated organization within the scope of his authority as employees shall be effective against the legal person or unincorporated organization. Restrictions imposed by the legal person or unincorporated organization on the scope of authority of the person performing work tasks shall not be set

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up against a bona fide counterparty. This is a critical provision for counterparties dealing with Chinese companies: employees' acts within the ordinary scope of their duties bind the employer, regardless of internal restrictions.

Article 171 — Unauthorized Agency. Where an actor performs a civil juristic act in the name of the principal without authority, in excess of authority, or after the authority has expired, the act shall not be effective against the principal unless ratified by the principal. The counterparty may urge the principal to ratify within 30 days of receipt of notice. Where the principal fails to respond, ratification shall be deemed to have been refused. Before ratification, a bona fide counterparty shall have the right to revoke its expression of intent. Revocation shall be made by notice. Where the act is not ratified, the bona fide counterparty shall have the right to request the actor to perform the obligation or compensate for losses suffered.

Article 172 — Apparent Agency. Where an actor performs a civil juristic act in the name of the principal without authority, in excess of authority, or after the authority has expired, and the counterparty has reason to believe that the actor has the authority of agency, the act of agency shall be effective. The doctrine of apparent authority protects counterparties who reasonably rely on indicia of authority, a vital safeguard in cross-border commercial transactions.

Section 3 — Termination of Agency

Article 173 — Termination of Authorized Agency. An authorized agency shall be terminated under any of the following circumstances: (1) expiration of the period of agency or completion of the matters of agency; (2) revocation of the authorization by the principal or resignation of the agent; (3) loss of capacity for civil conduct by the agent or the principal; (4) termination of the legal person or unincorporated organization serving as the agent or the principal; or (5) death of the agent or the principal.

Article 174 — Post-Death Effectiveness of Agency. The civil juristic act performed by the agent after the death of the principal shall remain effective under any of the following circumstances: (1) the agent does not know and should not have known of the death of the principal; (2) the act is ratified by the heirs of the principal; (3) the authorization expressly provides that the power of agency shall be extinguished upon completion of the matters of agency; or (4) the agent had commenced performance before the death of the principal and continues performance for the benefit of the heirs of the principal.

Article 175 — Termination of Statutory Agency. Statutory agency shall be terminated under any of the following circumstances: (1) the principal obtains or regains full capacity for civil conduct; (2) the agent loses capacity for civil conduct; (3) the agent or the principal dies; or (4) other circumstances as provided by law for the termination of statutory agency.

Chapter VIII — Civil Liability

Articles 176 through 187

Article 176 — Performance of Civil Obligations. Civil subjects shall perform civil obligations and bear civil liability in accordance with the law or the agreement of the parties.

Article 177 — Several Liability. Where two or more persons bear liability in several, and the shares of liability can be determined, each shall bear its respective share of liability. Where the shares cannot be determined, the liability shall be borne equally.

Article 178 — Joint and Several Liability. Where two or more persons bear joint and several liability in accordance with the law, the obligee shall have the right to request some or all of the jointly and severally liable persons to assume liability. Jointly and severally liable persons shall bear liability in proportion to their respective shares. Where the share of any jointly and severally liable person cannot be determined, each shall bear equal liability. A jointly and severally liable person who has actually assumed liability in excess of its share shall have the right of recourse against the other jointly and severally liable persons. Joint and

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several liability shall be prescribed by law or agreed by the parties. Joint and several liability provisions are frequently invoked in disputes involving multiple corporate entities within the same group structure.

Article 179 — Methods of Bearing Civil Liability. The main methods of bearing civil liability shall include: (1) cessation of infringement; (2) removal of nuisance; (3) elimination of danger; (4) restitution of property; (5) restoration to the original condition; (6) repair, reworking, or replacement; (7) continued performance; (8) compensation for losses; (9) payment of liquidated damages; (10) elimination of adverse effects and rehabilitation of reputation; and (11) extension of apology. The methods of bearing civil liability prescribed in this Article may be applied individually or in combination.

Article 180 — Force Majeure. A person who is unable to perform civil obligations due to force majeure shall not bear civil liability, unless otherwise provided by law. Force majeure means objective circumstances that are unforeseeable, unavoidable, and insurmountable.

Article 181 — Self-Defense. A person who causes damage by acting in self-defense shall not bear civil liability. Self-defense that exceeds the necessary limit and causes undue damage shall give rise to appropriate civil liability.

Article 182 — Necessity. A person who causes damage by acting in necessity to avoid a danger shall not bear civil liability, and the person who creates the danger shall bear civil liability. Where the danger arises from natural causes, the person who acts in necessity shall not bear civil liability but may give appropriate compensation. Where the measures taken in necessity are inappropriate or exceed the necessary limit and cause undue damage, the person acting in necessity shall bear appropriate civil liability.

Article 183 — Protection of Others' Interests. Where a person suffers damage as a result of protecting the civil rights and interests of another person, the tortfeasor shall bear civil liability, and the beneficiary may give appropriate compensation. Where there is no tortfeasor, the tortfeasor has fled, or the tortfeasor is unable to bear civil liability, and the victim requests compensation, the beneficiary shall give appropriate compensation.

Article 184 — Voluntary Emergency Rescue. A person who voluntarily engages in emergency rescue and causes damage to the person assisted shall not bear civil liability.

Article 185 — Protection of Heroes and Martyrs. A person who infringes upon the name, portrait, reputation, or honor of a hero or martyr and thereby damages the public interest shall bear civil liability.

Article 186 — Concurrence of Breach and Tort. Where a party's breach of contract causes damage to the personal or property rights and interests of the other party, the injured party shall have the right to request the party to bear liability for breach of contract or tort liability.

Article 187 — Priority of Civil Liability. Where a civil subject is required to bear civil liability, administrative liability, and criminal liability concurrently for the same act, and its property is insufficient to satisfy all liabilities, civil liability shall be satisfied first.

Chapter IX — Limitation of Action

Articles 188 through 199

Article 188 — General Limitation Period. The limitation period for a party to request the people's court to protect its civil rights shall be three years, unless otherwise provided by law. The limitation period shall be calculated from the date when the obligee knew or should have known that his right has been infringed and the identity of the obligor, unless otherwise provided by law. However, a right shall not be protected by the people's court if 20 years have elapsed since the date the right was infringed; where special circumstances exist, the people's court may decide to extend the limitation period upon application of the obligee. The three-year general limitation period is one of the most practically important provisions for foreign investors managing claims in China — all contractual and tort claims are subject to this limitation unless a specific law

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provides otherwise.

Article 189 — Limitation for Installment Obligations. Where the parties agree that an obligation shall be performed in installments, the limitation period shall be calculated from the date on which the last installment fell due.

Article 190 — Limitation for Claims by Persons Without Capacity. Where a person with no or limited capacity for civil conduct has a claim against his legal representative, the limitation period shall be calculated from the date the legal representative ceases to serve as such.

Article 191 — Limitation for Claims by Minors Against Sexual Abusers. The limitation period for a minor to claim compensation for damages arising from sexual assault shall be calculated from the date the minor reaches the age of 18.

Article 192 — Effect of Expiration. Upon expiration of the limitation period, the obligor may raise a defense of non-performance. An obligor who agrees to perform after the expiration of the limitation period shall not raise a defense of expiration of the limitation period. Where the obligor has voluntarily performed the obligation, it may not request return of the performance.

Article 193 — Mandatory Nature. The people's court shall not apply the provisions on the limitation of action on its own initiative.

Article 194 — Suspension of Limitation Period. The limitation period shall be suspended if, within the last six months of the limitation period, the obligee is unable to exercise the right to claim due to the existence of any of the following obstacles: (1) force majeure; (2) the obligee with no or limited capacity for civil conduct has no legal representative, or the legal representative dies, loses capacity for civil conduct, or loses the power of agency; (3) no heir or administrator of the estate has been determined after the commencement of inheritance; (4) the obligee is controlled by the obligor or another person; or (5) other obstacles that prevent the obligee from exercising the right to claim. The limitation period shall resume after the expiration of six months from the date the cause of suspension is eliminated.

Article 195 — Interruption of Limitation Period. The limitation period shall be interrupted under any of the following circumstances, and the limitation period shall be recalculated from the time of interruption or the time when the relevant procedure is concluded: (1) the obligee requests the obligor to perform the obligation; (2) the obligor agrees to perform the obligation; (3) the obligee files a lawsuit or applies for arbitration; or (4) any other circumstance that has the same effect as filing a lawsuit or applying for arbitration.

Article 196 — Rights Not Subject to Limitation. The limitation period shall not apply to the following claims: (1) a claim for cessation of infringement, removal of nuisance, or elimination of danger; (2) a claim for return of property by the right holder of a real right in immovable property or a registered real right in movable property; (3) a claim for payment of alimony, maintenance, or support; and (4) other claims not subject to the limitation of action as prescribed by law.

Article 197 — Mandatory Provisions. The periods, calculation methods, and grounds for suspension and interruption of the limitation of action shall be prescribed by law, and any agreement between the parties to the contrary shall be void. A prior waiver by the parties of the benefit of the limitation of action shall be void.

Article 198 — Limitation Period for Arbitration. Where the law provides for a limitation period for arbitration, such provisions shall apply. In the absence of such provisions, the provisions on the limitation of action shall apply.

Article 199 — Exclusion Periods. The exclusion period prescribed by law or agreed by the parties for the exercise of a right such as the right of revocation or the right of rescission shall not be subject to the provisions on suspension, interruption, or extension of the limitation of action. Upon expiration of the exclusion period, the right of revocation, the right of rescission, or any other right shall be extinguished.

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Chapter X — Calculation of Time Periods

Articles 200 through 204

Article 200 — Calculation Unit. Time periods in the civil law shall be calculated by the Gregorian calendar year, month, day, and hour.

Article 201 — Commencement of Time Period. Where a time period is calculated by year, month, or day, the date of commencement shall not be counted and the period shall commence from the following day. Where a time period is calculated by hour, the period shall commence from the time prescribed by law or agreed by the parties.

Article 202 — Expiration of Time Period. Where a time period is calculated by year or month, the corresponding date of the expiration month shall be the last day of the period. Where there is no corresponding date in the expiration month, the last day of such month shall be the last day of the period.

Article 203 — Extension for Public Holidays. Where the last day of a time period falls on a statutory public holiday, the first day following the public holiday shall be the last day of the period. The last day of a time period shall end at 24:00 hours. Where business hours are applicable, the last day shall end at the close of business hours.

Article 204 — Application. The calculation of time periods shall be governed by the provisions of this Part, unless otherwise provided by law or agreed by the parties.

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