

## Chapter XV Settlement of Disputes

### Article 109

Disputes arising over the interpretation of execution of the agreement, contract or articles of association between the parties to the joint venture shall, if possible, be settled through friendly consultation or mediation. Disputes that cannot be settled through these means may be settled through arbitration or courts of justice.

### Article 110

Parties to a joint venture shall apply for arbitration in accordance with the relevant written agreement. They may submit the dispute to the Foreign Economic and Trade Arbitration Commission of the China Council for the Promotion of International Trade in accordance with its arbitration rules. With mutual consent of the parties concerned, arbitration can also be carried out through an arbitration agency in the country where the sued party is located or through one in a third country in accordance with the arbitration agency's procedures.

### Article 111

If there is no written arbitration agreement between the parties to a joint venture, each side can file a suit with the Chinese People's Court.

### Article 112

In the process of solving disputes, except for matters in dispute, parties to a joint venture shall continue to carry out other provisions stipulated by the agreement, contract and articles of association of the joint venture.

## Chapter XVI Supplementary Articles

### Article 113

The Chinese office in charge of visas shall give convenient service by simplifying procedures for staff and workers from foreign countries or from Xianggang and Aomen (including their family members) who frequently cross Chinese borders.

### Article 114

Departments in charge of joint ventures are responsible for handling applications and procedures for Chinese staff and workers going abroad for study tours, business negotiations or training.

### Article 115

Staff and workers from foreign countries or from Xianggang and Aomen working for a joint venture can bring in needed means of transport and items for

office use, paying regular customs duty and industrial and commercial consolidated tax on them.

### Article 116

Joint ventures set up in the special economic zones shall abide by the provisions, if any, provided otherwise in the laws and regulations adopted by the National People's Congress, its Standing Committee or the State Council.

### Article 117

The power to explain the Regulations is vested in the Ministry of the Foreign Economic Relations and Trade.

### Article 118

The regulations shall come into force on the day of promulgation.

The Introduction by Yuan Mu, State Council Spokesman,  
to Chinese and Foreign Correspondents to the  
Regulations for Implementation of the Law of the  
People's Republic of China on Joint Ventures Using  
Chinese and Foreign Investment

*Sept. 26, 1983*

The Regulations for Implementation of the Law of the People's Republic of China on Joint Ventures Using Chinese and Foreign Investment are formally promulgated today. I'd like to make a brief introduction to the Regulations now:

The introduction is composed of three points:

- I. The basis and purposes of formulating the Regulations;
- II. The main contents of the Regulations;
- III. The preferential treatment to joint ventures.

#### I. The basis and purposes of formulating the Regulations

As everyone knows that it is the long term and unshakable policy of our country to persist in open-door policy, developing foreign trade and economic and technical exchanges, and to welcome foreign investors to make investment in our country.

The 18th Article of the Constitution of the People's Republic of China has stipulated explicitly that the People's Republic of China permits foreign enterprises, other foreign economic organizations or foreign individuals to invest in China or to undertake various forms of economic cooperation with Chinese enterprises or other Chinese economic organizations. This article also provides that the lawful rights and interests of the foreign enterprises and other economic organizations, as well as joint ventures using Chinese and foreign investment located in China