Judicial Cases regarding the Dissolution of Contract in the P.R.C.

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This article aims at analyzing judicial cases about the dissolution of contract stipulated in article 93 and 94. Conclusion in this article is as follows.

Among the legal particulars of the dissolution of contract, overwhelming majority cases are cited on the subparagraph 4 of Article 94 that the parties may dissolve the contract when either party delays the discharge of debts or is engaged in other illegal activities and thus makes realization of the aim of the contract impossible. Surprisingly, there are very few cases in which subparagraph 1 are cited. This fact is suggestive when we consider the relationship between the dissolution of contract because of force majeure and risk bearing in China.

Another feature is the fact that the dissolution of contract and the invalidity of contract are often confused each other. This fact is originated in the legal structure of China that the government departments are apt to intervene to the contractual relation through the subparagraph 5 of Article 52 that the contract is invalid when mandatory provisions of laws and administrative regulations are violated.