Obligee’s Right of Revocation in the P.R.C.

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This article aims at analyzing of cases of obligee’s right of revocation in the P.R.C. My conclusion is as follows;

Who is the defendant? This question is vital important for understanding of the characteristic of this right. In China, without exception, obligor is defendant. It is not prerequisite that the third-party beneficiary is defendant. In this point, China is quite different from Japan.

In China, more than half of cases about obligee’s right of revocation are those in which real estate is transferred to third-party beneficiary from obligor in order to escape obligation.

In China, there are many cases in which obligee’s right of revocation is executed within the process of civil enforcement procedure.

In China, since obligee’s right of revocation is nothing but the right of abrogation, there occurs the situation that article 52 of contract law regarding malicious collaboration which originates form article 58 of general principle of civil law enacted in 1986 and article 74 of contract law which regulates obligee’s right of revocation are concurrent.

Finally, obligor is without exception required to be the destitute person in obligee’s right of revocation of China. In this point, obligee’s right of revocation is quite different from obligee’s right of subrogation in China.