



**COUNTRY  
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# **The Legal 500 Country Comparative Guides**

## **China**

# **RESTRUCTURING & INSOLVENCY**

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This country-specific Q&A provides an overview of restructuring & insolvency laws and regulations applicable in China.

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# CHINA

## RESTRUCTURING & INSOLVENCY



### 1. What forms of security can be granted over immovable and movable property? What formalities are required and what is the impact if such formalities are not complied with?

#### Immovable property

**Common forms of security and formalities.** The most common way to set up security rights over immovable property is through a mortgage. Both mortgagor and mortgagee must sign a mortgage contract and register it along with the necessary attachments with the local real estate registration authority. Typically, the mortgagee will be granted an “other rights” certificate indicating the location, ownership, area and other relevant information about the property. A property ownership certificate (held by the mortgagor) will contain the mortgage information.

**Effects of non-compliance.** No creation, alternation, alienation or termination of a mortgage will have legal effect without registration (Article 209, PRC Civil Code). If a secured creditor has not registered their security, they will have no priority over the property. However, the secured creditor can require the guarantor to bear the guaranty liability within the guaranty scope.

#### Movable property

**Common forms of security and formalities.** There are three common ways to create security interests over movable property: Pledge, Mortgage, Lien.

All three forms of security must have a contract. For mortgages, the guarantor and the beneficiary must complete the filing process before the relevant authority. For pledges and liens, the beneficiary can directly hold the movable property under its control, so no registration procedures are required. In order to unify registration of movable property guarantees, registration of the following is to be administered by the People’s Bank of China starting from 1 January 2021: Production

equipment, Raw materials. Semi-finished products. Finished Product. Prior to 1 January 2021, registration of the above was administered by the State Administration for Market Regulation.

**Effects of non-compliance.** Security interests created over movable property are effective on execution of the relevant security contracts. If a secured creditor has not registered their security, they will have no priority over the property. However, the secured creditor can require the guarantor to bear the guaranty liability within the guaranty scope.

### 2. What practical issues do secured creditors face in enforcing their security package (e.g. timing issues, requirement for court involvement) in out-of-court and/or insolvency proceedings?

The mortgagee or pledgor exercises the mortgage right or pledge rights and interests within the statutory limitation of the principal creditor’s right; If it fails to do so, the people’s court shall not give legal protection.

In the restructuring procedure, the legitimate rights and interests of the guarantee property owner and the value of the enterprise restructuring should be balanced according to law. After the application for reorganization is accepted, the administrator or the debtor in its own management shall timely determine whether the debtor’s property with secured real right is necessary for reorganization. If it is deemed that the security property is not necessary for reorganization, the administrator or the debtor under its own management shall auction or sell the security property in time, and the proceeds from the auction or sale of the security property shall have priority in paying the creditor’s rights of the owner after the payment of the auction or sale expenses. But in practice, how to identify the collateral is not necessary for restructuring, there are different standards, which causes difficulties to the exercise of security rights.

### **3. What restructuring and rescue procedures are available in the jurisdiction, what are the entry requirements and how is a restructuring plan approved and implemented? Does management continue to operate the business and / or is the debtor subject to supervision? What roles do the court and other stakeholders play?**

A debtor or its creditors may directly apply to the People's Court for a restructuring of the debtor pursuant to the provisions of Enterprise Bankruptcy Law. Where creditors apply for a bankruptcy liquidation of the debtor after the People's Court accepts the bankruptcy application but prior to the debtor is declared bankrupt, the debtor or its capital contributors whose contribution represents one-tenth or more of the registered capital of the debtor may apply to the People's Court for restructuring.

Where the debtor manages its assets and business affairs, the debtor shall prepare the draft restructuring plan. Where the administrator is responsible for managing the debtor's assets and business affairs, the administrator shall prepare the draft restructuring plan. Where a simple majority of creditors in the same voting group present at a meeting approves the draft restructuring plan, and the creditor rights of such creditors represent two-thirds of the total creditor rights of the group, the draft restructuring plan shall be deemed approved by the group.

Where the draft restructuring plan is resolved by all the voting groups, the restructuring plan shall be deemed approved.

During the restructuring period, upon application by the debtor and approval by the People's Court, the debtor may manage its assets and business under the supervision of the administrator.

The court plays the most significant role in any reorganisation or insolvency procedure.

### **4. Can a debtor in restructuring proceedings obtain new financing and are any special priorities afforded to such financing (if available)?**

Under Article 75 of the Enterprise Bankruptcy Law, a debtor or bankruptcy administrator can seek financing to ensure the consistent operation of the debtor, and can set up security interests to secure its repayment (so a loan will be secured with collateral assets to guarantee

repayment), and the lender will have priority according to the security interests obtained.

### **5. Can a restructuring proceeding release claims against non-debtor parties (e.g. guarantees granted by parent entities, claims against directors of the debtor), and, if so, in what circumstances?**

In restructuring proceedings, the debtor is obliged to recover the claims to which he is entitled, the reorganization plan is not allowed to arbitrarily release liability of the third party, unless in the circumstance that the creditor obtain corresponding comprehension.

### **6. How do creditors organize themselves in these proceedings? Are advisory fees covered by the debtor and to what extent?**

There are two ways for creditors to participate in debtor's restructuring: one is to passively learn the news of debtor's bankruptcy, and the other is to actively apply for debtor's restructuring.

The creditors' meeting is the highest authority institution in the restructuring procedure. The main function of the creditors' meeting is to implement and guarantee the realization of creditors' rights. Creditors shall have the right to participate in the creditors' meeting, the right to vote, the right to candidate, the right to review and other rights.

However, the law does not stipulate how creditors can organize themselves to exercise their rights. In principle, creditors with the same or similar interests can communicate privately among themselves. And the relevant costs will be borne by creditors themselves.

### **7. What is the test for insolvency? Is there any obligation on directors or officers of the debtor to open insolvency proceedings upon the debtor becoming distressed or insolvent? Are there any consequences for failure to do so?**

An enterprise or legal person can file for reorganisation if it fails to clear off its debt as due, and one of the following applies:

- Its assets are not enough to pay off its debts.
- It is obviously incapable of clearing its debts.
- It is obviously likely that it is unable to pay off its debts.

*Enterprise Bankruptcy Law* does not specify directors' or officers' obligations of opening insolvency proceedings upon the debtor becoming distressed or insolvent. And there are not any consequences for failure to do it accordingly.

**8. What insolvency proceedings are available in the jurisdiction? Does management continue to operate the business and / or is the debtor subject to supervision? What roles do the court and other stakeholders play? How long does the process usually take to complete?**

If the debtor is unable to repay the debts due, the creditor and the debtor may apply to the people's court for bankruptcy liquidation of the debtor.

If the creditor applies for bankruptcy, the people's court shall notify the debtor within five days from the date of receipt of the application. If the debtor objects to the application, he must file the objection with the people's court within seven days from the date of receipt of the notice from the people's court. The people's court shall, within ten days after the expiration of the objection period, make a ruling on whether or not to accept the bankruptcy application.

If the people's court decides to accept the bankruptcy application, it shall notify the applicant within five days from the date of making the ruling.

If the people's court decides not to accept the bankruptcy application, it shall, within five days from the date of service of the ruling, serve a notice to the applicant explaining the reasons. If the applicant is not satisfied with the order, he may lodge an appeal with the people's court at the next higher level within 10 days from the date of the order.

If the people's court decides to accept the bankruptcy application, it shall also appoint an administrator.

The people's court shall, within 25 days from the date of ordering the acceptance of the bankruptcy application, notify all known creditors and make a public announcement.

The first creditors' meeting shall be convened by the people's court and must be convened within 15 days from the date of expiration of the time limit for filing claims.

Where an enterprise enters bankruptcy proceedings, the administrators shall, before the first creditors' meeting,

make a decision on the continuation or suspension of the operation of the debtor.

The court plays the most significant role in the liquidation procedure.

There is no specific time frame set out under the *Enterprise Bankruptcy Law*, but the relevant judicial interpretation stipulates that where a court organises liquidation, the liquidation committee must complete the liquidation within six months from the start date.

**9. What form of stay or moratorium applies in insolvency proceedings against the continuation of legal proceedings or the enforcement of creditors' claims? Does that stay or moratorium have extraterritorial effect? In what circumstances may creditors benefit from any exceptions to such stay or moratorium?**

Upon the acceptance of a bankruptcy application by a People's Court, all commenced and pending civil proceedings or arbitration proceedings that are related to the debtor shall be suspended; such proceedings or arbitration shall continue after the administrator has taken over the administration of the assets.

Upon the acceptance of a bankruptcy application by the People's Court, the preservation measures over the relevant debtor's assets shall be discontinued and enforcement procedures shall be suspended.

Whether having extraterritorial effect, there is no special regulation in EBL and other laws in China.

There is no exception circumstance that creditors benefit from such stay or moratorium in insolvency proceedings.

**10. How do the creditors, and more generally any affected parties, proceed in such proceedings? What are the requirements and forms governing the adoption of any reorganisation plan (if any)?**

There are two ways for creditors to participate in debtor's restructuring: one is to passively learn the news of debtor's bankruptcy, and the other is to actively apply for debtor's restructuring.

The creditors' meeting is the highest authority institution in the restructuring procedure. The main function of the creditors' meeting is to implement and guarantee the

realization of creditors' rights. Creditors shall have the right to participate in the creditors' meeting, the right to vote, the right to candidate, the right to review and other rights.

Where the debtor manages its assets and business affairs, the debtor shall prepare the draft restructuring plan. Where the administrator is responsible for managing the debtor's assets and business affairs, the administrator shall prepare the draft restructuring plan. Where a simple majority of creditors in the same voting group present at a meeting approves the draft restructuring plan, and the creditor rights of such creditors represent two-thirds of the total creditor rights of the group, the draft restructuring plan shall be deemed approved by the group.

Where the draft restructuring plan is resolved by all the voting groups, the restructuring plan shall be deemed approved.

**11. How do creditors and other stakeholders rank on an insolvency of a debtor? Do any stakeholders enjoy particular priority (e.g. employees, pension liabilities, DIP financing)? Could the claims of any class of creditor be subordinated (e.g. recognition of subordination agreement)?**

In reorganization and liquidation sub-proceedings, creditors and contributories must be categorised into different groups by the bankruptcy administrator so they can vote on the reorganisation plans, the liquidation report, or arrange the distribution of the repayments.

Holders of security interests over specific assets of the bankrupt are entitled to a preferential right of repayment in respect of such specific assets.

Secured creditors are then paid from the proceeds of the sale of any secured assets. If the total amount of the secured debts exceeds the value of the available secured assets, any amount in excess will be paid after the insolvency expenses or common interest liabilities. If there is money left over after sale of the secured assets, the residual value is added into the debtor's assets and made available for distribution to other creditors.

Except for security interests over specific assets, insolvency expenses and creditors of common interest liabilities are paid as a matter of first priority.

The following priorities in a liquidation are then as follows:

Preferential creditors. This includes the following liabilities to employees:

- wages and subsidies for medical treatment and disability (the wages of directors, supervisors and senior managers must be calculated on the basis of the average wages of employees in the enterprise);
- comfort and compensatory expenses;
- fundamental old-age insurance premiums;
- fundamental medical insurance premiums payable to employees' personal accounts; and
- compensation payable under relevant laws and administrative regulations.

Social insurance premiums and taxes (other than already mentioned above).

Unsecured creditors.

(Article 113, Enterprise Bankruptcy Law.)

If the insolvent's assets are not enough to cover these expenses in the same order, the assets will be distributed proportionally.

In Chinese bankruptcy law, there are only "priority creditor's right" and "general creditor's right", but no subordinated creditor's right.

**12. Can a debtor's pre-insolvency transactions be challenged? If so, by whom, when and on what grounds? What is the effect of a successful challenge and how are the rights of third parties impacted?**

The administrator can request from the court that the following transactions involving the debtor's assets that were carried out within one year before the bankruptcy application was accepted are revoked:

- Transfer of assets without compensation.
- Transactions carried out at an obviously unreasonable low price.
- Taking out non-secured debts with security.
- Early repayment of debts that are not yet due.
- Waiver of the creditor's rights.

Also, if a debtor was already insolvent (or in a situation that was obviously likely to lead to insolvency very soon) and it repays a debt to individual creditors within the six months before the court accepts an application for bankruptcy, the bankruptcy administrator can request that the court revokes the repayments.



If the debtor transfers assets without consideration, the third party must return the assets (regardless of whether the transaction is in good faith or not). If the debtor transfers assets in exchange for consideration and the third party is aware that the transaction may damage the interests of creditors, the third party must return the assets (or pay consideration if the original assets cannot be returned). The right of set-off cannot be used against a bona fide third party that pays a reasonable price for the assets and therefore the debtor will be liable to compensate for the creditor.

**13. How existing contracts are treated in restructuring and insolvency processes? Are the parties obliged to continue to perform their obligations? Will termination, retention of title and set-off provisions in these contracts remain enforceable? Is there any ability for either party to disclaim the contract?**

Upon acceptance of a bankruptcy application by the People's Court, the administrator shall have the right to decide whether, a contract that was concluded between a debtor and another party prior to acceptance of the bankruptcy application but is still pending completion by the parties, shall be continued or be rescinded; and the administrator shall give such notice of its decision to the other party. Where the administrator does not notify the other party to the contract within two months from the date of acceptance of the bankruptcy application, or does not reply within 30 days from the date of receipt of a reminder by the other party to the contract, the contract shall be deemed rescinded.

Where the administrator decides on the continued performance of the contract, the other party to the contract shall perform the contract; however, the other party to the contract shall have the right to request for a security deposit from the administrator. Where the administrator does not provide a security deposit, the contract shall be deemed rescinded.

After an acceptance of a bankruptcy application by the People's Court, the debts, arising from the resumption of contractual performance of a contract which is yet to be fully performed by both parties wherein the request for resumption was made by the administrator or debtor to the other party of the contract, shall be collective debts.

According to EBL, upon acceptance of a bankruptcy application by the People's Court, the administrator shall have the right to decide whether, a contract that was concluded between a debtor and another party prior to

acceptance of the bankruptcy application but is still pending completion by the parties, shall be continued or be rescinded; and the administrator shall give such notice of its decision to the other party. Where the administrator does not notify the other party to the contract within two months from the date of acceptance of the bankruptcy application, or does not reply within 30 days from the date of receipt of a reminder by the other party to the contract, the contract shall be deemed rescinded.

Where the administrator decides on the continued performance of the contract, the other party to the contract shall perform the contract; however, the other party to the contract shall have the right to request for a security deposit from the administrator. Where the administrator does not provide a security deposit, the contract shall be deemed rescinded.

In restructuring and insolvency processes, the termination, retention of title and set-off provisions shall not be enforceable.

Where an administrator or a debtor terminates a contract pursuant to provisions under this Law, the other party to the contract must declare creditor rights in respect of any claim for damages arising from the contract termination.

After an acceptance of a bankruptcy application by the People's Court, the debts, arising from the resumption of contractual performance of a contract which is yet to be fully performed by both parties wherein the request for resumption was made by the administrator or debtor to the other party of the contract, shall be collective debts.

**14. What conditions apply to the sale of assets / the entire business in a restructuring or insolvency process? Does the purchaser acquire the assets "free and clear" of claims and liabilities? Can security be released without creditor consent? Is credit bidding permitted? Are pre-packaged sales possible?**

Article 69 of the Enterprise Bankruptcy Law stipulates that if the administrator transfers the business of the debtor enterprise, he shall report to the creditors committee in a timely manner, and if no creditors committee has been established, he shall report to the people's court in a timely manner. Article 61 of the Enterprise Bankruptcy Law provides that the bankruptcy property conversion plan must be approved by the creditors' meeting before it can be implemented by the administrator. The assignment of the whole or principal

business of the debtor, which is clearly property, shall be a matter to be decided by the creditors' meeting.

The purchaser of the property only buys the property, without liabilities or the debtor's equity. The property acquisition will not be subject to litigation due to the debtor's debt or equity issues. Generally speaking, the property acquisition will not generate obligations outside of the property itself, but in some cases, such as the overall disposal of bankruptcy property, may require the acquirer to assume additional obligations such as employee employment. In bankruptcy proceedings, the guarantee measures on the bankruptcy property is not automatically discharged, the administrator can discharge the original guarantee measures by paying off debts or providing the guarantee accepted by creditors.

If the mortgagee does not agree or fails to cancel the registration of the mortgaged property of the debtor, the administrator may apply to the court for compulsory cancellation of the mortgage registration of the mortgaged property under the premise of registration and confirmation of the secured creditor's right of the mortgagee, and the mortgagee shall have the priority to receive compensation for the proceeds from the sale or auction of the mortgaged property.

Under the legislation, the sale of property in bankruptcy proceedings should be conducted by auction, but the creditors' meeting can pass a resolution to dispose of assets in other ways than auction. In recent years, more and more bankruptcy property auctions in China are conducted by means of Internet auction. No matter traditional auction or network auction, public bidding is its basic connotation and rules. Credit bids are generally not allowed.

In principle, pre-packaged sales are possible, in principle, the pre-packaged sales are possible.

**15. What duties and liabilities should directors and officers be mindful of when managing a distressed debtor? What are the consequences of breach of duty? Is there any scope for other parties (e.g. director, partner, shareholder, lender) to incur liability for the debts of an insolvent debtor and if so can they be covered by insurances?**

Whether managing a normal company nor a distressed company, the directors, supervisors and senior executives shall comply with the provisions of laws and administrative regulations and the articles of association

of the company and bear fiduciary duties.

A director, supervisor or senior executive who violates the provisions of laws and administrative regulations or the articles of association of the company in his/her performance of duties and powers and causing the company to suffer damages shall bear compensation liability.

The directors shall not be liable for the debts of the debtor except for the above liability for breach of duty of loyalty.

Under Article 92 of the Partnership Enterprise Law, where a partnership is unable to pay off its mature debts, the creditors can apply to the court for bankruptcy liquidation or demand the general partners to make repayments.

Where a partnership is declared bankrupt, its general partners still bear joint and several liabilities for its debts.

Where a capital contributor of the debtor, upon acceptance of a bankruptcy application by a People's Court, has yet to perform its capital contribution obligation, the administrator shall request the capital contributor to make the contribution for the subscribed capital and such a request for capital contribution shall not be subject to any time limit restrictions.

The shareholders of a company shall not use their relationship to cause damage to the company's interests. The shareholders which violate the aforesaid provisions and cause the company to suffer losses shall bear compensation liability.

In principle, the lender is not liable for the debts of the debtor.

The company may, during the term of office of the director, take out liability insurance against the director's liability for the performance of the Company's duties. Now, there are Directors and Officers Liability Insurance already in China.

**16. Do restructuring or insolvency proceedings have the effect of releasing directors and other stakeholders from liability for previous actions and decisions? In which context could the liability of the directors be sought?**

The restructuring or insolvency proceedings can not have the effect of releasing directors and other stakeholders from liability for previous actions and

decisions.

A director who violates the provisions of laws and administrative regulations or the articles of association of the company in his/her performance of duties and powers and causing the company to suffer damages shall bear compensation liability.

**17. Will a local court recognise foreign restructuring or insolvency proceedings over a local debtor? What is the process and test for achieving such recognition? Does recognition depend on the COMI of the debtor and/or the governing law of the debt to be compromised? Has the UNCITRAL Model Law on Cross Border Insolvency or the UNCITRAL Model Law on Recognition and Enforcement of Insolvency-Related Judgments been adopted or is it under consideration in your country?**

There is no regulations on that a local court recognise concurrent foreign restructuring or insolvency proceedings over a local debtor in EBL. However, Where a foreign court's judgment or ruling on a bankruptcy case that has taken effect involves assets in the territories of the People's Republic of China held by a debtor, and an application or request for judicial recognition and enforcement of the judgment is made to the People's Court, the People's Court shall, pursuant to the international treaty that the People's Republic of China has concluded or is a member of, or pursuant to the principle of reciprocity, examine the application or request; where the People's Court deems that the application or request will not violate the basic principles of law of the People's Republic of China, threaten national sovereignty, security and public interest, and will not impair the lawful rights and interests of the creditors within the territory of the People's Republic of China, the People's Court shall make a ruling on recognition and enforcement.

The introduction of COMI jurisdiction principle in cross-border bankruptcy has already been studied by domestic scholars, but there is no conclusion on it in judicial practice.

The UNCITRAL Model Law on Cross-Border Insolvency has been adopted in PRC. Upon the Court recognize the bankruptcy rule made by foreign court, the domestic assets of debtors are required to clear off employees' claims and taxes, the assets left may be distributed pursuant to the regulations of foreign Court.

**18. For EU countries only: Have there been any challenges to the recognition of English proceedings in your jurisdiction following the Brexit implementation date? If yes, please provide details.**

N/A

**19. Can debtors incorporated elsewhere enter into restructuring or insolvency proceedings in the jurisdiction? What are the eligibility requirements? Are there any restrictions? Which country does your jurisdiction have the most cross-border problems with?**

In general, the bankruptcy cases shall be under administration of the People's Court with jurisdiction where the relevant debtor is domiciled which means the place where the main office of the relevant debtors is located. In the case of that the debtor has no office, it shall be under the jurisdiction of the People's Court of the place where it is registered.

**20. How are groups of companies treated on the restructuring or insolvency of one or more members of that group? Is there scope for cooperation between office holders? For EU countries only: Have there been any changes in the consideration granted to groups of companies following the transposition of Directive 2019/1023?**

When hearing enterprise bankruptcy cases, a people's court should respect the independence of corporate personality with judgment on bankruptcy reasons of separate affiliates of an enterprise and application of separate bankruptcy proceedings as basic principles. If affiliates of an enterprise have highly mixed corporate personality, and the cost for distinguishing property of each affiliate is too high, severely jeopardizing the fair repayment interests of creditors, substantive consolidation of affiliates may be adopted for bankruptcy trails as an exception.

There is no special regulation on cooperation between office holders in EBL, however, in any event, the cooperation shall comply with all the laws and regulation in China.



## 21. Is your country considering adoption of the UNCITRAL Model Law on Enterprise Group Insolvency?

The UNCITRAL Model Law on Cross-Border Insolvency has been adopted in PRC. Upon the Court recognize the bankruptcy rule made by foreign court, the domestic assets of debtors are required to clear off employees' claims and taxes, the assets left may be distributed pursuant to the regulations of foreign Court.

## 22. Are there any proposed or upcoming changes to the restructuring / insolvency regime in your country?

To improve the current bankruptcy system, China's legislature has included the Enterprise Bankruptcy Law in its 2021 revision plan, which has attracted wide attention. At present, the revision of the enterprise bankruptcy Law is still in continuous promotion, among which the establishment and improvement of pre-reorganization, merger and bankruptcy, cross-border bankruptcy and other systems have become the focus.

In addition, the personal bankruptcy system, which had sparked national debate, was established in 2021 in the form of local legislation. On March 1, 2021, the Regulations of Shenzhen Special Economic Zone on Personal Bankruptcy officially came into effect. At present, the regional implementation of the personal bankruptcy system has made some progress, and there have been practical cases of personal reorganization, reconciliation and liquidation, which have carried out legal exploration for the national legislation of personal bankruptcy.

## 23. Is your jurisdiction debtor or creditor friendly and was it always the case?

With the development of Chinese legal system, we think China is a friendly jurisdiction to debtor or creditor. Yes, all the time.

## 24. Do sociopolitical factors give additional influence to certain stakeholders in restructurings or insolvencies in the jurisdiction (e.g. pressure around employees or pensions)? What role does the State play in relation to a distressed business (e.g. availability of state support)?

In our view, although restructuring or bankruptcy may involve various social and political factors such as interests and pressure, in corporate bankruptcy cases, it is still the basic principle to follow the law.

In general, the state does not get involved or intervene in the operation of troubled companies. Under any circumstances, state support for enterprises in difficulties shall comply with the provisions of relevant laws and regulations.

## 25. What are the greatest barriers to efficient and effective restructurings and insolvencies in the jurisdiction? Are there any proposals for reform to counter any such barriers?

According to our experience, from a macro perspective, China's market economy is developing and improving, and there are still many areas for improvement and further optimization. At the micro level, bankruptcy culture has not been completely established and is still in the process of cultivation.

In addition, China has special national conditions, especially in the field of bankruptcy, which involves various interests. Local governments may consider social stability, but at the same time the boundaries, scope and time related to local governments are not very clear, which may affect the process of bankruptcy.

As far as reform suggestions are concerned, liquidation measures should be taken first to encourage enterprises without continuing business value and ability to exit the market as soon as possible, so as to achieve survival of the fittest and improve the rescue and withdrawal mechanism of socialist market players.

Second, the people's court should reallocate resources through bankruptcy measures, make use of the major adjustment of enterprise bankruptcy to equity, management, assets, technology and other aspects, conduct differential disposal of different enterprises, and strive to do a good job in the incentive, allocation and coordination of production factors such as technology, capital, labor and manpower, so as to achieve a high-quality and efficient real economy and industrial system.

Third, we should further improve the working mechanism of bankruptcy trial, such as the identification of bankruptcy and reorganization enterprises, coordination of political and legal affairs, communication of case information, and balance of legal and orderly interests, so as to promote the active operation of bankruptcy trial and highlight the institutional value and social

responsibility of bankruptcy trial work.

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