

# DIGEST

## CHINA

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### Foreign related Arbitration without Foreign Elements in China: An Analysis of *Zhaolai Xinsheng* Case

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Xiangqian Gong\*

#### 1. Introduction

On January 20, 2014, the Beijing Second Intermediate People's Court ("BSPC") rejected the Zhaolai Xinsheng (朝来新生) Company's application for recognizing the Korean Commercial Arbitration Board ("KCAB")'s award.<sup>1</sup> This *Zhaolai Xinsheng* case attracted great attention at home and abroad as it relates to the recognition and enforcement of foreign arbitration not involving 'foreign elements.'

#### 2. Case Brief

Both Zhaolai Xinsheng and Suowang Zhixin (所望之信) companies are Chinese enterprise legal persons registered at the Beijing Administration for Industry and Commerce. However, Suowang Zhixin is a wholly foreign-owned company, whose shareholder is a citizen of the Republic of Korea ("ROK") named Bingzhu Ahn (安秉柱). In order to operate a golf course in Beijing, on July 20, 2007, the two companies

\* Associate Professor of Beijing Institute of Technology Law School. The author may be contacted at: g-xq@163.com

<sup>1</sup> The Beijing Second Intermediate People's Court [北京市第二中级人民法院], 'Civil Order' BSIPC Mingtezi No. 10670 (May 7, 2013) [2013 二中民特字第10670号民事裁定书], available at [http://www.bjcourt.gov.cn/article/newsDetail\\_fw.htm?NIId=30000120](http://www.bjcourt.gov.cn/article/newsDetail_fw.htm?NIId=30000120) (last visited on May 6, 2015).