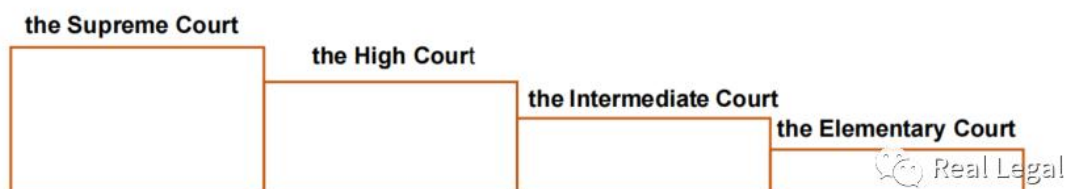


The Chinese Legal System-the Organization of Courts

China's legal system is a civil law system that relies on codes and statutes, which are written laws. Unlike in the common law system of the US and the UK, decided cases do not constitute binding precedents, but they are sometimes referred to as guidance.

China does not have a federal system, in that there are no spheres of authority constitutionally reserved for provincial governments. Provincial and local governments may adopt rules and regulations, so long as they are not inconsistent with central government laws, rules and regulations.

The court system in the PRC has four levels: the Elementary Court, the Intermediate Court, the High Court and the Supreme Court.



In most cases, the Elementary Court is *the trial court*, this is the court where a case begins. However, the Intermediate Court has jurisdiction as a court of first instance over major foreign-related cases. Very rarely, the High Court and the Supreme Court can be trial court rule cases have a major impact province-wide or nationwide.

It is very common for one of the parties is not satisfied with the decision of the trial court level to want another chance, a second opportunity to have the case heard and perhaps decided differently. It comes in the form of an appeal. When an appeal is taken from the decision in the trial court, the case moves up the stairs to the next higher court, *the appeals court*. Parties to a case have an absolute right to have the decision of the trial court reviewed by the appeals court. The appeals court will examine the decision of the lower court and decide if the decision was legally correct. The appeals court may affirm, reverse, or remand the trial court's decision.

The judgments and rulings of the appeals court shall be final, but there is still a chance to seek a further review of the case by going up the next step on the staircase to the High Court or the Supreme Court (*the retrial court*). Unlike the parties' right to have the trial court's decision reviewed by the appeals court, no party has an absolute right to have his or her case reviewed by a retrial court. The party can request a retrial court to review the case, but most of the time the retrial court will refuse to hear the case. The retrial court's decision is the last step on the staircase.