Chinese Dispute-Resolution Forums Advance Norm-Shaping Power

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Autor	Jeremiah May
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Executive Summary: Since their start in 2018, the People's Republic of China (PRC) has expanded its international commercial courts and related legal infrastructure in order to support its growing international interests and grow its comprehensive national power.

- These forums now handle significant disputes involving foreign companies, in conjunction with the PRC's expanding trade exports.
- The results of quantitative research into political biases within Chinese dispute-resolution forums are mixed. Chinese forums are not necessarily partial to domestic parties, but U.S.–PRC trade disputes and features such as a legal party having entered into a joint venture with a state-owned entity may affect legal outcomes.

The 6th Maritime Silk Road Legal Affairs Forum (□□□□□□□) was held in Xiamen on September 7–8; among its noted achievements was progress made in two local Chinese International Commercial Courts (CICCs) in Xiamen and Quanzhou. Since their introduction in 2022, these courts have handled over 7,000 cases involving parties from over 40 countries and regions, with a cumulative value exceeding renminbi (RMB) 50 billion ($7.5 billion) (Supreme People's Court [SPC], August 5, 2024; Southeast Net, September 8).

CICCs in the People's Republic of China (PRC) are taking on a significant workload. By 2026 the national-level CICC had accepted 46 international commercial cases and concluded 37 since its inception in 2018, involving parties from 21 countries and regions, with a total value of over renminbi (RMB) 13.8 billion ($2 billion). **[1]** Intermediate People's Courts in 18 localities—including Suzhou, Beijing, Xiamen, Chongqing, Shanghai, and Guangzhou—had established local CICCs, which concluded 1,777 foreign-related cases and arbitral reviews during 2025 involving parties from more than 50 countries, with a total value of nearly RMB 40 billion ($6 billion)—representing a year-over-year increase in case volume of more than 24 percent. Across all Chinese courts, foreign-related commercial and maritime cases saw a 44 percent year-over-year increase in case volume (China Business Journal, March 5).

PRC-Styled 'New Legal Hubs'

The development of "new legal hubs" has increased globally, including in Singapore, Kazakhstan, and Dubai, for a variety of—often overlapping—rationales: attracting global talent, supporting domestic industry growth, reducing dependency on Western institutions; and other national interest-related issues, such as information access and the ability to shift the balance of outcomes toward domestic parties (Bookman & Erie, 2021). **[2]** Collectively, much of these efforts can also be understood as increasing each state's "law power," or "a nation-state's ability to use law to affect others to get what it wants"—similar to the way in which the dominance of the U.S. dollar has benefited the United States in the post-World War II period (Jia, 2026). **[3]**

Many of these hubs follow the model of the London Commercial Court or longstanding arbitral forums: procedures are largely conducted in English, English common law is used as a foundation for rules, forums are staffed by judges or arbitrators of various nationalities, and there is a general promise of independence by the host nation. While it is a political decision in itself to favor dispute-resolution forums that prioritize expediency, low cost, judicial independence, or market liberalism, some would argue that there should be stronger government involvement when disputes implicate public concerns. Every nation makes decisions about how to balance commercial predictability, political authority, and public interest.

Chinese forums align with some of these general characteristics but differ partially or wholly on others. Disputes may generally use any governing law or procedural rules that the parties agree to, so long as Chinese choice-of-law rules permit it (SPC, December 18, 2023). **[4]** Chinese arbitration centers are generally more flexible, with the China International Economic and Trade Arbitration Commission (CIETAC), for example, allowing greater flexibility in the selection of rules (CIETAC, September 5, 2023). All judges in the PRC must be Chinese nationals and uphold the Constitution, Party leadership, and the socialist system (People's Daily, July 28, 2019). For CICC judges, English proficiency is an additional selection requirement, and English-language evidence may be submitted without Chinese translation (SPC, December 18, 2023). CIETAC and other arbitral centers generally allow foreign arbitrators to be selected by the parties—which is in line with most arbitration centers globally (CIETAC, May 1).

PRC Seeks Foreign and Domestic Power

Chinese attempts to build a dispute resolution forum have consistently been linked to successive efforts to aid Chinese firms in expanding globally. The earlier references date back to 2018, when the State Council issued the "Opinions on Establishing an International Commercial Dispute Resolution Mechanism and Institutions for the Belt and Road (OBOR) Initiative" (关于建立“一带一路”国际商事争端解决机制和机构的意见), which established the country's first two CICCs in Shenzhen and Xi'an (Xinhua, June 27, 2018). The State Council envisioned "a convenient, fast, and low-cost 'one-stop' dispute resolution center to provide high-quality and efficient legal services to parties involved in the OBOR" (便利、快捷、低成本的“一站式”争端解决中心，为“一带一路”建设参与国当事人提供优质高效的法律服务) (Xinhua, June 27, 2018).

The 2020 "Guiding Opinions of the Supreme People's Court on People's Courts Serving and Safeguarding Further Opening Up to the Outside World" (最高人民法院关于人民法院服务保障进一步扩大对外开放的指导意见) broadened the focus beyond the OBOR initiative to the newer terminology of "large-scale opening up" (大对外开放). Stated policy goals included "protecting Chinese and foreign investors' lawful rights and interests" (依法维护中外投资者合法权益), "expanding the influence of China's law" (扩大中国法的影响力), and safeguarding national security and economic and social order" (保障国家安全和经济社会秩序) (SPC, September 25, 2020).

Then, at a study session in 2023, General Secretary Xi Jinping emphasized the role of foreign-related legal efforts in "better safeguarding the interests of the nation and the people" (更好维护国家和人民利益) as well as "promoting high-level opening up" (推进高水平对外开放) (People's Daily, November 29, 2023).

Wuhan University professor and former ambassador to Malaysia, Huang Huikang (黄惠康), directly linked the initiatives to expand international dispute-resolution services to the PRC's goal of becoming "a global leader in comprehensive national power and international influence" (我国要实现综合国力和国际影响力领先) at a symposium hosted by the SPC (CICC, November 21, 2024). **[5]** More recently, Wang Shumei (王淑梅), a senior justice with the SPC, linked the efforts to expand Chinese international commercial dispute resolution to "safeguarding national sovereignty, security, and developmental interests" and promoting Chinese influence in the development of new international rules (坚定维护国家主权、安全、发展利益，为国际规则制定提供中国司法实践) (SPC, March 5). **[6]**

By encouraging case settlement in the PRC, Beijing is promoting its ability to shape international norms. In December 2023, the SPC also modified its rules relating to Articles 35 and 277 of the Civil Procedure Law to allow for Chinese courts to exercise jurisdiction over disputes without "requiring a real connection with the PRC" (不要求争议必须与我国有实际联系)—such as a Chinese party being involved—with the goal of expanding the number of foreign parties that choose Chinese forums for their disputes (SPC, December 18, 2023).

Some of these goals, however, appear at times to be contradictory. Policy documents frequently invoke language of equality, fairness, friendliness to foreign firms, and similar. Foreign companies may find it unclear what these forums will prioritize in a situation where the decision is between protecting Chinese national security or Chinese firms versus ensuring fair and consistent treatment of all firms—both foreign and domestic—under the law.

Local-court actions and SPC policy guidance have both complicated the issue and potentially contributed to fears that Chinese courts are acting to favor or aid domestic firms. In the "Report by the Xiamen Intermediate People's Court on Leveraging Judicial Functions to Serve and Safeguard the Development of the Private Economy" (厦门市中级人民法院关于发挥审判职能服务保障民营经济发展工作情况的报告), the Court describes coordinating with local business councils to establish regular visits to domestic companies, answer their legal questions, and provide compliance guidance; this mechanism was selected as a national exemplary model. (Xiamen Municipal People's Congress, October 23, 2023). The SPC described one of its recently released foreign-related commercial mediation guiding cases as exemplifying "the join efforts of courts at both levels to resolve foreign trade disputes, safeguarding the development of private enterprises in China" (两级法院联动化解外贸纠纷 护航我民营企业扬帆远航) (SPC, March 24).

In April 2026, the State-Owned Assets Supervision and Administration Commission (SASAC) released the "Plan on Further Deepening and Solidifying the Construction of Rule of Law in Central State-Owned Enterprises" (关于推动法治央企建设进一步走深走实的方案). The Plan directs all central enterprises to more closely supervise overseas disputes and better utilize CICCs, arbitral forums, and mediation forums as part of "properly handling overseas legal disputes" (妥善应对处置境外法律纠纷案件). It specifically directs them to "give due attention to drafting dispute resolution clauses in contracts" (重视争议解决合同条款的订立) and "encourage the resolution of overseas legal disputes within the PRC" (鼓励在境内解决境外法律纠纷) (SASAC, April 30).

The attention given to dispute-resolution clauses is not unique to SASAC's guidance. The Xiamen CICC, for example, introduced the nation's first model bilingual jurisdiction clause in mid-2024, which has subsequently been applied in over 200 foreign-related cases (SPC, August 5, 2024; Southeast Net, September 8). Model jurisdiction clauses allow parties to a contract to agree on where they will resolve disputes related to the contract and which rules and laws will apply. The Xiamen CICC's model clause suggests that disputes be handled under PRC law and at one of the forums of Xiamen's Maritime Silk Road Central Legal District (海丝中央法务区) (Xiamen Intermediate People's Court, April 10, 2024).

Reforming Global Dispute Practice Norms

There have also been some hints as to how the PRC might alter extant modes of international dispute resolution toward more desirable procedures. Discussing the bilingual jurisdiction clause promulgated by the Xiamen Courts, for example, Zhai Weikun (翟伟坤), president of the Xiamen CICC, said that the clause "reflected Chinese characteristics" (体现了中国特色) because it would allow the Xiamen CICC to "guide [parties] to choose the most favorable dispute resolution method, such as mediation or arbitration" (我们也可以引导当事人选择对他们最有利的纠纷解决方法，比如调解、仲裁) (SPC, August 5, 2024).

Researchers have noted that the push toward alternative dispute resolution methods—especially

mediation—beginning in 2003 was motivated by concerns about social stability and Party control (Minzner, 2011). **[7]** In its 2025 “Opinions on Promoting the High-Quality Development of International Commercial Courts and Supporting High-Level Opening-Up” (□□□□□□□□□□□□□□□□ □□□□□□ □□□□□□□□), the SPC advocated for increasing the use of mediation and arbitration, as well as for CICCs to more closely coordinate with government departments and other organizations (SPC, September 25, 2025).

While mediation is increasingly favored globally due to its efficiency, it also invites the appearance of greater political influence being injected into the process. In one instance from 2025 published by the SPC, a dispute originally arbitrated at the London Metal Exchange between Swiss-creditor Gerald Metals and a subsidiary of the Chinese state-owned-enterprise, Henan Shenhuo Coal & Power (□□□□□□), was brought to the Shenzhen Intermediate People’s Court after the Shenzhen-registered subsidiary, Henan Shenhuo International Trading, paid out RMB 83.3 million ($12.4 million), as opposed to the more than RMB 110 million ($16.5 million) it would have owed under the original London Metal Exchange award (Sina Finance, August 19, 2025). **[8]** Shen Hongyu (□□□), the presiding judge on the case and head of the Fourth Civil Division of the SPC, related the decision back to the broader effort to promote Chinese-style dispute resolution, saying that “[p]arties from various countries will increasingly recognize the power of China’s ‘culture of harmony’” (□□□□□□□□□□□ □□□□‘□□□’□□□) (SPC, June 20, 2025).

Although these types of haircut discounts are common in creditor–debtor settlements, this example demonstrates how complex and obscure relationships between Chinese dispute-resolution forums, state-owned or affiliated enterprises, and the Party-state bureaucracy can lead to the appearance that national interest is a motivating factor in outcomes. One interpretation of the above case would be that Gerald Metals came out better than it would have without the CICC’s intervention—quickly settling for a reasonable amount. Another might be that a Chinese state-owned enterprise received an undesirable outcome from a voluntary arbitration process in London and then retreated to within Chinese borders, where the process advocated for by the CICC was to abandon enforcement and settle—costing Gerald Metals roughly 25 percent of the original award, as well as a three-year delay from the initial award in London.

Quantitative research on potential domestic biases by Chinese forums has produced varied findings and continues to evolve. A 2018 analysis of some 1,660 patent-infringement cases made public in 2014 found that foreign plaintiffs obtained judgments that infringement occurred in more than 84 percent of cases, compared with just under 80 percent for domestic plaintiffs (Bian, 2018). **[9]** More recent scholarship examining 3,730 litigated cases over the 2002–2017 period found that multinational firms were more likely to win than not, but that the majority did not obtain substantial monetary compensation; firms that entered into joint ventures with domestic Chinese state-owned enterprises were comparatively more likely to obtain significant compensation (Chen & Xu, 2023). **[10]** Lastly, a 2026 investigation of over one million civil cases ranging from 2014–2020 found that win rates for U.S. plaintiffs suing Chinese defendants declined in Chinese cities that were more affected by the ongoing trade disputes (Bo & Liu, 2026). **[11]**

Conclusion

The Chinese international commercial dispute-resolution system is less than a decade into a period of rapid development and change, spurred by focus from the highest levels of government, and shaped by the broader context of the PRC’s booming trade exports. What it will develop into remains to be seen, but Chinese authorities have already succeeded in expanding the PRC’s comprehensive national power with these efforts.

Chinese courts may develop a reputation for being cheaper, fairer, and faster for all involved—and

outcompete their foreign counterparts. Alternatively, foreign firms may come to see Chinese companies and courts as unfairly collaborating to advance the Party-state's ideological goals and ambitions to shape global legal norms. Recent history has shown just how quickly fears about the weaponized dependencies and government interference can spark reactions. Some scholars argue that the initial cessation of rare-earth exports to Japan in 2010 may not have been centrally directed, but instead the result of grassroots nationalism reacting to perceived Japanese aggression (Xiong & Weiss, 2026). **[12]** Regardless of if this was the case, that was all it took for much of the world to begin seeing Chinese critical-mineral dominance as a threat to be mitigated. Unlike supply chains, contracts can quickly be revised.

Notes

[1] Previous research on the national CICC has suggested that it is more focused on providing policy guidance than resolving substantial amounts of disputes itself, instead allowing the eighteen local CICCs, or "international commercial tribunals" (□□□□□□), to handle the bulk of disputes. Susan Finder, "China's International Commercial Court Network: A Work in Progress," *U.S.–Asia Law Perspectives* 6, no. 6 (2026), https://usali.org/usali-perspectives-blog/chinas-international-commercial-court-network-a-work-in-progress.

[2] Bookman, Pamela K., and Matthew S. Erie. "Experimenting with International Commercial Dispute Resolution," *AJIL Unbound* 115 (2021): 5–10, https://doi.org/10.1017/aju.2020.78.

[3] Mark Jia, "Law Power," University of Pennsylvania Journal of International Law, forthcoming, June 1, 2026, https://doi.org/10.2139/ssrn.6864920.

[4] Under Articles 4 and 5 of the Foreign-Related Civil Relations Law (□□□□□□□□□□□□), Chinese law preempts the choice of foreign governing laws in cases where existing PRC laws contain mandatory overriding provisions, and a general public-interest exception applies "[w]here the application of foreign law would harm the public interest of the People's Republic of China" (□□□□□□□□□□□□□□□□□□□□□□□□□□) (CICC, October 28, 2010).

[5] Huang had delivered the keynote lecture to the Politburo Central Committee at the aforementioned study session the previous year.

[6] Ibid.

[7] Carl F. Minzner, "China's Turn Against Law," *The American Journal of Comparative Law* 59, no. 4 (2011): 935–984, https://ir.lawnet.fordham.edu/faculty_scholarship/4.

[8] A deeper account of the arbitration is discussed by the Connecticut Appellate Court in a linked case involving the insurance underwriters of the original agreement and also by the Hong Kong High Court, Court of First Instance in a later dispute related to the liquidation. Gerald Metals, LLC v. Certain Underwriters at International Underwriting Association of London, AC 46853 (March 25, 2025), https://info.jud.ct.gov/external/supapp/Cases/AROap/AP231/AP231.150.pdf; Henan Shenhuo International Trading Co Ltd v. Registrar of Companies, HCMP 740/2026, [2026] HKCFI 4202 (July 23, 2026), https://web.archive.org/web/20261016070713/https://legalref.judiciary.hk/lrs/common/ju/ju_frame.jsp?DIS=183124.

[9] Renjun Bian, "Patent Litigation in China: Challenging Conventional Wisdom," *Berkeley Technology Law Journal* 33, no. 2 (2018): 413–486, https://doi.org/10.15779/Z382J6846W.

[10] Chen, Frederick R., and Jian Xu. “Partners with Benefits: When Multinational Corporations Succeed in Authoritarian Courts.” *International Organization* 77, no. 1 (2023): 144–78, https://doi.org/10.1017/S0020818322000297.

[11] Shiyu Bo and Wen Liu, “From Trade Protectionism to Legal Protectionism: How the Trump Trade War Harms US Firms in China,” *Journal of Development Economics* 182 (June 2026): 103829, https://doi.org/10.1016/j.jdeveco.2026.103829.

[12] Gloria Xiong and Jessica Chen Weiss, “The Real History of Beijing’s Rare-Earth Dominance,” *Foreign Affairs*, August 18, 2026, https://www.foreignaffairs.com/china/how-china-found-most-potent-weapon-xiong-weiss.

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