



A Brief Introduction on Wealth Planning In China

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—LEGAL SOLUTIONS FOR DOING BUSINESS IN CHINA

China's marital property regime

Applicable Law

PRC Marriage Law 51 Articles

The Explanation by the Supreme Court of PRC on Marriage Law 82 Articles



China's marital property regime

Article 17 the following property acquired during the marriage shall be in **joint possession**:

- (1) Wages and bonuses;
- (2) Proceeds of production and business operation
- (3) Income from intellectual property rights
- (4) Property acquired from inheritance and gift**
- (5) Other property should be in joint possession



China's marital property regime

Article 18 the following property shall be one party's **separate property**:

- (1) Property acquired before marriage;
- (2) Payment for medical expenses, subsidies for living expense to the disabled
- (3) Payment for physical injuries
- (4) **Property specially given to one party by a will or gift agreement**

China's marital property regime

Article 19 Husband and wife may conclude an agreement to determine their personal and marriage property in separate possession or in joint possession.

Such agreement should be in written form. If there is no such agreement, the article 17 and 18 shall be apply.



China's inheritance law

PRC Succession Law 37 Articles (effective from 1985)



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China's inheritance law

Article 10 the intestate inheritance shall be inherited in the following order:

First in order: spouse, children, parents.

Second in order: brothers and sisters, paternal grandparents, maternal grandparents.

When succession opens, the successor(s) first in order shall inherit to the exclusion of the successor(s) second in order. The successor(s) second in order shall inherit in default of any successor first in order.

China's inheritance law

A valid will inheritance shall prevail the statutory inheritance

Five kind of wills

- A notarial will
- A testator-written will
- A self-written will
- A sound-recording will
- An oral will

≥60% of the will are invalid from the Beijing court's trail statistics.

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How to inheritance

There are two step to inherit estate

First step

- (1) Find a notary to acquire a notarial certificate of inheritance ; or
- (2) Filed to the court and acquire a judgement or mediation agreement.

Second step

Transfer the estate according to the mentioned legal paper.

Main difference ?

1. No spousal support
2. No probate, liquidation or administration procedure
3. No estate tax and individual income tax, succession is the cheapest way to transfer the property to the next generation.
4. Spouse, **parents** and children are the first order heir and every person in first order shall equally share the estate.
5. Foreign-related matters have different applicable law rule and more complicated.

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THANK YOU



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