Issue	EJV Law (Old Requirements)	Company Law (Applicable to FIEs from January 1, 2020)
Corporate Form	Equity Joint Venture	Limited Liability Company or Company Limited by Shares
Decision-making Organ	The board of directors is the highest decision-making organ.	The shareholders' meeting of a limited liability company or the shareholders' general meeting of a company limited by shares is the highest decision-making organ.
Decision-making Mechanism	A board meeting must be attended by at least two-thirds of all the directors to form a quorum. Decisions regarding (i) amendment to the AOA of the EJV, (ii) suspension or dissolution of the EJV, (iii) increase or decrease of the registered capital of the EJV, and (iv) merger or split of the EJV, must be unanimously approved by all directors attending the board meeting. Decision-making mechanism for other matters can be set forth in the AOA of the EJV.	Decisions regarding (i) amendment to the company's AOA, (ii) increase or decrease of the registered capital, (iii) the merger, split, dissolution, or (iv) conversion of the company (e.g., from a limited liability company to a company limited by shares), must be approved by shareholders representing at least two-thirds of the voting rights. Besides matters described above, the AOA should set forth rules of procedures and voting mechanism with respect to other matters within the powers of the shareholders' meeting, such as (i) determining operational and investment plans; (ii) appointing directors and supervisors (who are not employee representatives) and determining their remuneration; (iii) approving reports of board of directors/executive director, or supervisors; (iv) approving annual budgets and final financial positions; (v) approving any profit distribution or loss make-up plans; (vi) issuing company bonds, etc.
Board of Directors	The board of directors shall consist of no fewer than 3 members. There is no option for appointment of an executive director in lieu of a board of directors. The number of directors appointed by each shareholder should be agreed in proportion to their respective shareholding percentage.	A limited liability company may have 3 to 13 directors to form the board. A limited liability company with relatively few shareholders or of a relatively small size may have one executive director in lieu of a board of directors. The Company Law does not require that the number of directors appointed by each shareholder should be agreed in proportion to their respective shareholding percentage.

Issue	EJV Law (Old Requirements)	Company Law (Applicable to FIEs from January 1, 2020)
Powers of the Board	Decisions to (i) amend the AOA, (ii) increase or decrease the registered capital, (iii) terminate or dissolve the company, and (iv) merge or split the company, require unanimous affirmative vote of the directors attending a board meeting.	The authority of the board of directors under the Company Law is much less powerful than under the EJV Law. Under the Company Law, the board acts as an intermediary between the shareholder(s) and the management.
Term of Directors	Each term of a director is four years.	The term of a director shall not exceed three years.
Legal Representative	The chairman of the board is the legal representative.	The chairman of the board, the executive director or the general manager may be the legal representative.
Equity Transfer to Third Party	Unanimous consent of all other shareholders is required if a shareholder wants to transfer its equity interest in the EJV to a third party.	Consent of over half of the other shareholders is required unless otherwise provided by the AOA.
Statutory Funds	An EJV is required to allocate a certain percentage of its after-tax profits to the reserve fund, enterprise expansion fund and employee incentive and benefit fund (together known as "**Three Funds**") with the percentage determined by the board of directors of the EJV as the highest decision-making authority.	A limited liability company must allocate 10 percent of its annual after-tax profits to a **statutory reserve fund** until the amount of such statutory reserve fund reaches 50 percent of the registered capital (not paid-in capital) of the company. After the company has accrued the statutory reserve fund, it may retain a discretionary reserve fund from its after-tax profits subject to a resolution of the shareholders' meeting or the shareholders' general meeting.