

## An Insight to Land Use Rights in China中国土地使用权概述

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- Prelude: China is a socialist country and the Communist party is the dominant political force
- Nature of Ownership
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## Types of land use rights 土地使用权分类

|                   | Allocated                                                                                         | Granted                                                     |
|-------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| Nature            | urban infrastructures, public utility,<br>key energy, transport and water<br>conservancy projects | commercial, tourist, recreational and high end housing      |
| Consideration/Fee | compensation or settlement or even gratis                                                         | grant fee                                                   |
| Term              | indefinite                                                                                        | 40 – 70 years depending on usage. 70 years will be maximum. |
| Restrictions      | No transfer of ownership or assignment. No sub-lease or mortgage.                                 | No restrictions whatsoever                                  |



## Risks control 风险防控

- Legal/financial due diligence on the type of land use rights to be acquired.
- Proper searches and verification on existing land use rights on the lands to be acquired.
- Representations, warranties and indemnities in the contractual agreements.
- Formula for for assessment of compensation due to breaches.
- Registration
  - Land use rights certificate
  - Building ownership certificate
  - A single composite Real Estate and Land Use Right Certificate