

(JunHe) Continues to be a popular choice among major domestic and foreign clients from the automotive, e-commerce, software, telecommunications and cosmetics industries.

—Chambers Asia-Pacific 2020

Automotive

As a full-range business law firm, JunHe serves clients in many different industries. Clients from the automotive industry, which is the backbone of the national economy, are of great significance to JunHe. Since its commencement, JunHe has served a number of Chinese and foreign manufacturers and distributors of complete vehicles, as well as manufacturers of vehicle parts and components. Along with the opening up of China in recent years, new energy vehicles and smart cars have become a priority to Chinese automobile manufacturers. While continuing to serve traditional automobile brands, JunHe has gradually begun to provide full-range legal services to a group of emerging enterprises, including providing legal services in respect to mergers and acquisitions. JunHe has accumulated abundant experience in the automotive industry and is adept at staying tuned to the evolution of the different laws, regulations and policies in the industrial investment and market areas of the Chinese automotive industry. The company aims to further develop in the area of legal services in the automotive industry, especially those related to new energy vehicles and smart cars.

The global automotive sector continues to evolve with advances in electric cars, intelligent design and networking of vehicles. This provides the Chinese automobile industry with a precious opportunity to undergo transformation and upgrades, with the goal to advance China from being a large manufacturing power to a strong manufacturing power. The central and local authorities at all levels in China have reacted swiftly and positively to these changes, by introducing legislation and industrial policies. This includes the launch of the Planning for the Mid- and Long-term Development of the Automobile Industry. Developing ideas, planning targets and policy orientations for the mid- and long-term work of the Chinese automobile industry are pointed out in this document. The central government and various other local governments have promulgated administrative rules regarding autonomous vehicles, in an effort to promote the research, development, testing and commercialization of smart cars. The National Development and Reform Commission and the Ministry of Industry and Information Technology have made arrangements with regard to the gradual relaxing of restrictions on shareholding percentages by foreign partners in automobile manufacturing joint ventures and on the numbers of these joint ventures, so as to enable fair competition in foreign investments in the automobile industry. The newly promulgated Administrative Measures on Automobile Sales and Guidelines on Anti-monopoly Practices in the Automobile Industry has broken the competitive advantages of complete vehicle brands in terms of price, resource and supply, which helps to create a market environment for automobile distribution with sufficient competition. We believe these changes in the laws, regulations and policies will further promote deeper growth in the Chinese auto industry in the coming years.

JunHe, founded in Beijing in 1989, is one of the first private partnership law firms in China. Since its establishment, JunHe has grown to be one of the largest and most recognized Chinese law firms. The firm has thirteen offices around the world and a team comprised of more than 880 professionals, including over 240 partners and legal counsel, as well as over 640 associates and legal translators.



They (JunHe) are very well prepared and efficient throughout.

—Chambers Asia-Pacific 2020

In order to keep abreast with the evolution of the automobile industry and the rapid changes in the relevant laws and policies, legal counsels with understanding and keen insight in legislative developments are needed to ensure smooth transactions. JunHe has accumulated vast professional expertise and abundant experience in this industry, and is providing new and existing clients with full-range legal services with respect to mergers and acquisitions, greenfield investments, joint ventures and cooperation. They are also adept at interpreting laws and policies, drafting and reviewing contracts, compliance reviews, legal risk prevention and professional training.

Selected Deals

NIO's release of the ES8 as its first production vehicle

NIO released its first production vehicle, the ES8, in December 2017. It took NIO less than two and a half years to issue the ES8 after its establishment. Most other new vehicle brands established at the same period are building their own factories, which requires much larger investments of funds and time; NIO, on the other hand, ventured out in cooperation with a domestic complete vehicle manufacturer in its first production model.

JunHe participated in the entire process of the ES8 project, which included design, research and development, and also setting up a supply chain system, trial productions and mass productions. JunHe provided strong support to NIO with respect to its entrance by foreign investment in the automobile manufacturing industry, feasibility analysis on the mode of cooperation, advice on compliance issues, the drafting of legal documents, and leading rounds of tough negotiations with the cooperation partner. In addition, JunHe provided a legal solution to help NIO realize a creative business mode of sales and after-sales service. This included online direct sales, the separation of titles of vehicles and batteries, mobile power banks, and speedy battery change. JunHe was also involved in the legal services for NIO in its legal compliance and the establishment of rules, with respect to autonomous vehicles, automotive navigation and entertainment systems, internet of vehicles, and cross-border information transmission.

Magna's acquisition of 100% equity in GETRAG

In December 2015, Magna, a German vehicle part manufacturer listed on the stock exchanges of both New York and Toronto, completed its acquisition of 100% equity interest in GETRAG, a well-known German transmission manufacturer, with a total consideration of 1.75 billion euro. Magna is a world leading vehicle part supplier with 305 production and operation centers, as well as 95 R&D, engineering and sales centers throughout 29 countries, with more than 139,000 employees globally. GETRAG is one of the largest independent suppliers of gearboxes and transmissions in the world, with over 13,500 employees in over 23 countries. China played an important role in the global layout of GETRAG; it has two large-scale joint ventures in China, located in Wuhan and Nanchang, with a total staff of over 4,500 in China.

Acting as the Chinese counsel for Magna in this project, JunHe efficiently completed the legal due diligence investigation and provided legal opinions on various issues under the Chinese laws relevant to the transaction. This included the concentration of business undertakers, tax laws, labor laws and intellectual property, as well as on a list of jobs to be completed before closing. During the legal due diligence investigation, JunHe sorted out the complex situation and thoroughly pointed out the legal risks to the client, and made suggestions on the proper arrangements in the acquisition.

Dongfeng Motor's equity investment in
PSA Peugeot Citroen Group
2014
(China Business Law Deals of the Year)