Proceedings of the 4th International Conference on Global Politics and Socio-Humanities
DOI: 10.54254/2753-7048/2026.35495

# *Judicial Difficulties and Relief in Applying Substantive Fairness to Self-dealing by Directors, Supervisors, and Senior Officers*

**Zhitong Liang**

*Law School, Jinan University, Guangzhou, China*
*3188417565@qq.com*

***Abstract.*** Self-dealing by directors, supervisors, and senior officers has a dual legal nature: it may violate the duty of loyalty under organizational law and constitute abuse of agency authority under transaction law. Although Article 182 of the 2024 revised Company Law improves the prior disclosure and resolution-approval rules, courts still face cases in which formal procedural compliance conceals substantive benefit transfers. Judicial practice has developed three approaches: strict procedural review, limited substantive review, and comprehensive substantive review, which has produced inconsistent outcomes in similar cases. This paper defines corporate will as an independent decision formed through due procedure, sufficient disclosure, and independent voting, with the maximization of the company's overall interests as its objective. On this basis, it proposes a two-level judicial review framework. The first level examines procedure and determines the effect of irregular transactions under the Civil Code rules on unauthorized agency, distinguishing good-faith and bad-faith counterparties. The second level starts substantive fairness review upon application and evaluates fairness from both objective and subjective dimensions. The paper further proposes tiered remedies, strengthens the autonomy of articles of association, limits judicial intervention, and sets a shareholders' meeting special resolution as the default approval threshold where the articles are silent.

***Keywords:*** self-dealing, abuse of agency authority, substantive fairness, corporate will, due process

## 1. Introduction

In the context of company law, self-dealing refers to transactions or contracts entered into directly or indirectly between a company and its directors, supervisors, or senior officers [1]. Because these persons hold corporate positions and also act as economic actors, self-dealing naturally involves conflicts of interest. It can easily lead the actor to use his or her position to obtain private benefits of control and damage the company's rights and interests. It is therefore a typical conflict-of-interest commercial transaction [2]. Chinese company law has long regulated self-dealing with the aim of balancing the interests of all parties and preventing benefit transfers. Article 182 of the newly revised Company Law further refines requirements on prior disclosure, related-party recusal, and

© 2026 The Authors. This is an open access article distributed under the terms of the Creative Commons Attribution License 4.0 (https://creativecommons.org/licenses/by/4.0/).

DOI: 10.54254/2753-7048/2026.35495

internal resolutions, so as to require directors, supervisors, and senior officers to comply with the duty of loyalty and to protect transaction fairness [3].

A typical practical scenario is as follows. Wang, the chairman and general manager of a non-listed joint stock company A, also controls another enterprise, B. Wang promotes A's acquisition of an old production line from B. A third-party appraisal institution has already warned that the industry is declining and that the transaction involves major risks. Nevertheless, the transaction strictly follows the voting procedures of the board of directors and the shareholders' meeting as required by the company's articles of association; although Wang himself recuses from voting on account of his interest, the remaining directors and shareholders who cast the approving votes are his nominees or are otherwise subject to his influence. After completion of the transaction, the price A pays for the production line is far above its fair value in the secondary market, and the industry risk subsequently materializes, causing huge losses to A. The minority shareholders then sue Wang and B to protect their rights. Formally, this case fully complies with the statutory approval process, but the substance of the resolution remains controlled by Wang through his nominees. It is a typical self-dealing transaction with lawful procedures but unfair substance.

Such cases reveal the key difficulties in current judicial adjudication. Legislation has built a procedural regulatory system for self-dealing, but it has not clarified the standard for reviewing substantive fairness or the scale of judicial intervention. Courts apply different standards when weighing procedural legitimacy and substantive fairness, and the rules on contract validity and liability in self-dealing cases remain inconsistent [4]. Therefore, after the implementation of the new Company Law, it is an urgent practical issue to clarify the legal nature of self-dealing through the connection between civil-law and commercial-law rules, to define the meaning of the company's true will, and to construct judicial application rules that give due regard to both procedure and substance. This article reviews the difficulties of application through judicial cases, strengthens the basis of adjudication through legal theory, and finally proposes an applicable judicial framework and path for improvement.

## 2. Judicial difficulties in applying substantive fairness to self-dealing

The core legislative purpose of regulating self-dealing is to protect the overall interests of the company, and internal resolution procedures are the main means of preventing benefit transfers [5]. Article 182 of the new Company Law sets prior disclosure and resolution approval as statutory preconditions for self-dealing, attempting to resolve conflicts of interest through an open and transparent decision-making process. Article 1 of the Provisions of the Supreme People's Court on Several Issues Concerning the Application of the Company Law (V) further provides that procedural compliance cannot be used as a defense where the company's interests are damaged, and that substantive fairness is the core standard for judging the legality of the transaction [6].

Reviewing the substantive fairness of a transaction is, in essence, judicial intervention in corporate business decisions, and courts must remain cautious and restrained [7]. However, the current Company Law only provides procedural requirements and does not clarify the criteria for substantive fairness, the scope of judicial review, or the rules of burden of proof. This directly leads to differences in judicial decisions. Using "self-dealing," "resolution," and "fairness" as keywords, this article searches civil judgments from the past five years in Wolters Kluwer and PKULaw, screens 224 valid cases, and summarizes three mainstream adjudicative approaches used by courts:

First, the strict procedural review model. Under this model, the court only reviews whether the transaction has followed the approval procedures required by law and the articles of association. It respects corporate autonomy and refuses substantive review. If the transaction has not followed the

DOI: 10.54254/2753-7048/2026.35495

approval procedure, the court finds that the director, supervisor, or senior officer has breached the duty of loyalty and that the transaction is invalid. If the procedure is complete, the court directly recognizes the validity of the transaction and no longer examines whether the transaction content is fair [8]. This model relies entirely on formal rules and allows substantively unfair transactions under "shadow control" to continue.

Second, the limited substantive review model. Under this model, the court presumes that a compliant resolution represents the true will of the company and, in principle, recognizes the validity of the transaction. Only when dissenting shareholders or the company submit preliminary evidence showing that the transaction is unfair will the court conduct limited substantive review [9]. This model takes procedural presumption as the rule and substantive review as the exception, and it has become the compromise approach adopted by many courts.

Third, the comprehensive substantive review model. Under this model, the court holds that lawful procedure and substantive fairness are both necessary conditions for the validity of the transaction. Regardless of whether the procedure is complete, the court actively reviews the transaction price, transaction purpose, and other substantive matters. The transaction is recognized as valid only when both requirements are satisfied [10].

In addition, judicial practice is also inconsistent in identifying the relevant subject and judging fairness. Some courts strictly limit the scope of self-dealing subjects. If the subject does not meet the qualification requirement, they directly exclude the special rules of company law and turn to general provisions on contract validity and malicious collusion [11]. Other courts adopt a substantive conflict-of-interest standard. As long as there is an interest loop among "directors, supervisors, or senior officers - related parties - the company," they identify the conduct as self-dealing and conduct comprehensive review [12].

At the level of substantive fairness, judicial decisions lack unified quantitative standards. The substantive fairness of self-dealing lies in the fairness of transaction price and the necessity of the transaction [13]. However, no unified ratio has been set for whether consideration is "significantly too high or too low." Courts usually make case-by-case judgments, focusing on whether there is evidence of comparable market prices or objective price-comparison bases showing that the transaction price is clearly higher than the market price [14], whether the company has suffered clear or quantifiable property damage [15] or actual damage [16], whether the conclusion of a professional third-party appraisal has been effectively rebutted [17], and whether the transaction is continuous for a long period and involves a huge amount, causing company profits to flow to related parties [18]. As a result, different courts, judges, and regions may reach different fairness conclusions in similar factual situations because they understand "market price" differently or place different levels of trust in third-party appraisal institutions. This increases uncertainty in self-dealing cases.

Overall, the root of the current difficulty is a deviation in theoretical understanding. Judicial decisions often treat self-dealing only as a breach of the duty of loyalty and separate organizational-law rules from transaction-law rules. Because the function of approval procedures and the substantive meaning of corporate will are understood differently, courts find it difficult to balance corporate autonomy and judicial correction, as well as procedural justice and substantive fairness.

DOI: 10.54254/2753-7048/2026.35495

## 3. Theoretical basis for the judicial application of substantive fairness in self-dealing

### 3.1. Corporate will and the dual legal nature of self-dealing

China adopts a civil-commercial integrated legislative system. Under the Civil Code, the expression of will and the act of a natural person can be unified in the same subject. Once defects such as fraud, duress, or major misunderstanding are excluded, the act may be regarded as the person's true expression of will. A company, however, is a legally fictional legal person and cannot independently make an expression of will. It must rely on directors, supervisors, senior officers, and other position-based agents to carry out commercial activities [19]. A position-based agency relationship is formed between directors, supervisors, senior officers and the company [20]. Through their appointment, they implicitly obtain the corresponding external transaction authority [21]. Such authority is highly dependent on their corporate identity [22], and its scope is defined by the nature of the position and the company's business scope [23].

Where an agent also acts as the counterparty in a transaction, the self-dealing transaction naturally involves a conflict of interest. Directors, supervisors, and senior officers may use agency authority to depart from the company's interests and seek personal benefits. Therefore, company law sets the duty of loyalty as a boundary for agency authority [24]. Article 168 of the Civil Code and Article 182 of the Company Law together establish the rule that, without lawful consent of the principal, namely the company, an agent is prohibited from carrying out self-dealing [25]. Accordingly, self-dealing without the principal's consent has a dual nature: in organizational law, it violates the duty of loyalty of directors, supervisors, and senior officers; in transaction law, it constitutes an abuse of agency authority. It is not merely a simple case of unauthorized agency [26].

Corporate will is the core basis for determining the validity of self-dealing. This article defines it as an independent decision formed under the statutory framework and procedural constraints, through full information disclosure and independent voting, and aimed at maximizing the overall interests of the company. It is not equivalent to the personal will of the controlling shareholder or the majority shareholders. Corporate will is mainly formed through three paths: first, resolutions legally made by the shareholders' meeting or the board of directors; second, governance rules set in advance by the articles of association; and third, daily business decisions made by directors, supervisors, and senior officers within the scope of authorization [27].

In judicial review, courts must uphold the principle of legal-person independence and prevent majority shareholders from using lawful resolutions to harm the company's long-term interests [28]. Whether the resolution procedure is proper does not depend on whether the result of the self-dealing transaction is objectively favorable, but on whether the persons making the decision are informed and whether corporate will truly exists and has been properly expressed [29]. A formal majority decision can only be presumed to represent corporate will. If the decision-making process involves information blocking, coercion by the controlling shareholder, or non-independent voting, then even if the procedure is complete, it cannot be identified as the true will of the company and should not be protected by the business judgment rule [30].

No matter what organizational structure is used, no fixed proportion of votes can automatically represent corporate will. In principle, a resolution formed according to the voting procedures provided by law or by the articles of association formally represents corporate will. Substantively, however, it is more important to examine whether the resolution was formed on the basis of sufficient information, independent procedure, absence of obvious unfairness, and absence of abuse of control. Therefore, the scale of review should differ among different types of companies. In a limited liability company with concentrated shareholding, a formal majority decision can easily

DOI: 10.54254/2753-7048/2026.35495

become the will of the controlling shareholder, and its presumptive effect may be rebutted by the dissenting party's evidence. In a joint stock company with dispersed shareholding or a state-controlled enterprise, a resolution normally formed and consistent with the company's overall interests should, in principle, be identified as the company's independent will. For state-owned enterprises, policy objectives and public-interest demands should also be considered.

### 3.2. Functional positioning of the approval procedure for self-dealing

Promoting transactions is an important function of company law [31]. In commercial practice, self-dealing occurs frequently. Its existence does not necessarily damage company interests, and it may be reasonable and necessary because it can reduce information costs and performance costs [32]. However, as rational economic actors, directors, supervisors, and senior officers may have opportunistic tendencies in self-dealing [33]. They may rely on information advantages and their positions to harm company interests. The approval procedure set by Article 182 of the new Company Law has two core functions. First, it restricts abuse of agency authority. Through related-party recusal and independent voting by non-interested subjects, it blocks conflicts of interest and corrects the improper tendency of agents [34]. Second, it creates a commercial safe harbor. A lawful and compliant approval procedure removes the defect caused by conflicts of interest, gives legitimacy to the transaction, restores the effect of commercial judgment, and reduces the cost of judicial review [35].

At the same time, it should be made clear that self-dealing does not necessarily damage company interests. Fair related-party transactions can reduce transaction costs and improve operating efficiency. Company law does not set procedural rules in order to absolutely prohibit self-dealing. Rather, it uses procedure to screen lawful transactions and regulate non-compliant transactions, while balancing transaction freedom and the protection of company interests [36].

### 3.3. Core meaning of substantive fairness

The legal remedy provided by modern law for conflict-of-interest transactions is the fairness standard, which includes procedural fairness and substantive fairness [37]. Chinese company law has usually taken the institutional position that substantive fairness can be achieved by continuously improving due process design [38]. In practice, however, transactions vary greatly, and the interests behind self-dealing are more complex and highly concealed. Procedural justice is a means of achieving fairness, not the final goal. Relying only on formal review cannot avoid hidden transactions in which "procedure turns idle and benefits are transferred." Therefore, substantive fairness is the final value pursued by the regulation of self-dealing [39]. This article defines substantive fairness from two dimensions:

First, substance is more important than form. Courts should adopt a penetrating adjudicative approach, dismantle hidden transaction structures such as split transactions, circular transactions, and transactions using a third-party intermediary, and penetrate the external contract form to identify the transaction essence. This prevents actors from using lawful forms to cover unlawful transfers of benefits.

Second, the analysis should be guided by overall interests. Substantive fairness is not equal to short-term profit. Its core standard is the company's long-term survival, stable operation, and improvement of overall value. Some transactions create short-term book profits, but damage the company's credit and long-term development through inflated profits and circular flows of funds. These transactions are also substantively unfair. The purpose of judicial substantive review is to

DOI: 10.54254/2753-7048/2026.35495

balance the interests of the company, shareholders, creditors, and other subjects, and to achieve an equitable allocation of interests [40].

## 4. Construction of a judicial application framework for substantive fairness in self-dealing

A correct standard of judicial application must allow courts to review the substantive content of transactions [41], and substantive fairness is a necessary element of valid self-dealing [42]. Therefore, based on the dual nature of self-dealing and the key difficulties of judicial adjudication, this article constructs a two-level progressive review framework. It distinguishes procedural review from substantive review, pairs them with tiered remedial rules, and improves prior procedural rules in order to reduce adjudicative differences at the source.

### 4.1. First level: procedural review (preliminary review stage)

Procedural review is the first gate of judicial review. The court should strictly follow Article 182, Article 185, and the articles of association, and examine three matters in sequence. First, whether the subject is a director, supervisor, senior officer, or related person. If the subject qualification is not established, the court should not enter self-dealing review [43]. Second, whether the transaction involves a conflict of interest, and whether it violates Article 180 by "using one's authority to seek improper benefits." This includes whether the actor obtained substantive economic benefits through the transaction [44], including but not limited to transaction opportunities, company resources, and the increase in benefits derived from them. Third, whether disclosure, recusal, resolution, and other statutory approval procedures have been performed [45].

For self-dealing transactions that have not followed the statutory approval procedure, they should be characterized as abuse of agency authority. Their validity should be determined uniformly under the Civil Code agency rules. They should not be directly and mechanically declared invalid. This approach protects both transaction security and company interests [46]:

(1) If the company later expressly ratifies the validity of the contract through its conduct, the transaction is valid, and the company may only pursue internal liability against the relevant director, supervisor, or senior officer [47].

(2) If the counterparty is a bad-faith party, Articles 171 and 172 of the Civil Code should apply. Where the counterparty intentionally uses the conflict of interest or intentionally causes damage through the conflict of interest [48], or, where the counterparty is an external third party, has gross negligence by knowing or being expected to know that the company's internal procedure violates legal requirements but fails to exercise reasonable care in the transaction process [49], bad faith is established, and the transaction does not take effect against the company [50].

(3) If the counterparty is a good-faith third party, meaning that it has exercised reasonable care and could not know of the internal defect, the contract should be externally valid in order to protect the commercial appearance and maintain transaction security. The company may claim damages against the non-compliant director, supervisor, or senior officer [51].

### 4.2. Second level: substantive review (started upon application)

To respect corporate business judgment and follow the principle of judicial restraint, where the procedure is fully compliant or only has minor procedural defects, the court should not initiate substantive review on its own initiative. Only when a party submits preliminary evidence, claims

DOI: 10.54254/2753-7048/2026.35495

that the transaction is substantively unfair, and applies for review may the court conduct substantive review [52]. The review includes objective and subjective dimensions:

(1) Objective dimension: review of the transaction appearance and result. First, transaction consideration should be examined by comparing the transaction price with the market fair price, and by reviewing whether the payment method and additional terms are obviously unfair. Second, the transaction purpose should be examined by penetrating the contract name and identifying the true transaction intention, so as to detect hidden benefit transfers. Third, the transaction structure should be examined to determine whether there are circumvention methods such as split contracts, circular transactions, and return flows of consideration. Fourth, the transaction object should be examined by combining industry standards and appraisal reports to determine whether the value of intangible assets or physical assets matches the consideration [53].

(2) Subjective dimension: review of the actor's intention. The key is to examine the subjective state of the directors, supervisors, senior officers, and the transaction counterparty. The court should consider whether there is bad faith such as misappropriating company assets or evading debts, whether disclosure, recusal, loyalty, and diligence obligations have been performed according to law, and whether there are acts such as destroying evidence or deliberately avoiding supervision. These factors help distinguish good faith from bad faith [54].

### 4.3. Tiered remedial mechanism

Based on the results of procedural and substantive review, differentiated remedial paths should be established:

(1) Where the transaction procedure is seriously unlawful and the substance is obviously unfair, the contract should be identified as invalid, and both parties should be ordered to return property and restore the pre-transaction state [55].

(2) Where the transaction procedure is compliant but the substance damages company interests, the transaction should not be treated as invalid. The company may exercise the disgorgement right under Article 186 of the Company Law and recover all unlawful gains obtained by the directors, supervisors, or senior officers. If the gains are insufficient to cover the loss, the company may separately claim damages [26].

(3) Where the transaction has minor procedural defects but is substantively basically fair, the court may be given the power to cure defects. The court should maintain the transaction's validity and adjust unfair terms, so as to avoid disrupting normal business order by frequently rescinding or invalidating transactions.

### 4.4. Improving prior procedural rules and narrowing judicial discretion

Ex post judicial correction treats the symptoms but not the root cause. It is necessary to improve procedural rules at the corporate governance level and strengthen prior constraints:

(1) Strengthen the autonomy effect of the articles of association. The articles of association should be made clear as the highest internal autonomy document of the company. The approval organ and voting rules for self-dealing should first follow the articles of association. Only where the relevant clause is unlawful or obviously unfair may the court deny its effect.

(2) Define the boundary of judicial intervention. For purely internal procedural issues such as convening meetings, voting, and signing, as long as there is no serious illegality such as forgery, failure to hold a meeting, or coercion, the judiciary should not intervene. Judicial review should

DOI: 10.54254/2753-7048/2026.35495

focus only on substantive matters such as transaction pricing and substantive fairness, and should respect corporate autonomy.

(3) Set a default approval threshold. Where the articles of association do not provide approval rules for self-dealing, a special resolution of the shareholders' meeting should be used as the default procedure, requiring approval by shareholders representing more than two-thirds of the voting rights. Shareholders are the final bearers of the company's residual interests. A high-standard voting rule can effectively prevent controlling shareholders, directors, supervisors, and senior officers from manipulating transactions through ordinary majority voting, and can build a firewall against conflicts of interest.

## 5. Conclusion

Self-dealing by directors, supervisors, and senior officers crosses the organizational rules of company law and the transaction rules of the Civil Code. The balance between procedural compliance and substantive fairness is a lasting problem in both theory and practice. The 2024 new Company Law has built a procedural regulatory system for self-dealing, but it has not completely solved the problem of formal legality and substantive unfairness. The root cause lies in the misunderstanding of the dual nature of self-dealing and the substantive meaning of corporate will.

In essence, self-dealing is a concurrence of abuse of agency authority and violation of the duty of loyalty. The value of statutory approval procedures is not simply to give a transaction formal validity, but to restore the company's true will and eliminate conflicts of interest through independent voting by non-interested subjects. Judicial adjudication must avoid the two extremes of "procedure only" and "excessive intervention." It should apply a two-step review rule: first, use procedural review to define the boundary of conduct and use substantive review to correct interest imbalance; second, distinguish good-faith and bad-faith counterparties and apply different validity rules, supported by tiered remedies such as disgorgement, damages, and contract adjustment.

At the same time, corporate autonomy should be respected. The priority status of the articles of association should be established, and the scope of judicial power should be limited. Where the articles of association lack rules, a special resolution of the shareholders' meeting should be used as the default approval standard to regulate self-dealing from the source of corporate governance. Only by achieving a dynamic balance between corporate autonomy and judicial correction, and between procedural justice and substantive fairness, can legal rules fully perform their regulatory function, prevent benefit transfers, protect the lawful rights and interests of companies and minority shareholders, and steadily improve the order of commercial governance.

## References

[1] Li, J. W. (2024). *Commentary on company law*. Law Press China. p. 83.
[2] Nan, Y. M. (2021). Rule reconstruction of conflict-of-interest transactions. *Journal of China University of Political Science and Law*(5), 127.
[3] Djankov, S., La Porta, R., Lopez-de-Silanes, F., et al. (2008). The law and economics of self-dealing. *Journal of Financial Economics, 88*(3), 430-465.
[4] Zou, J. Q. (2025). A comparative-law study on the regulatory path of directors' self-dealing: Comments on Article 182 of the Company Law. *Commercial Law Review, 15*(1), 135-167.
[5] Zhu, C. Y. (2011). *Principles of company law*. Tsinghua University Press. p. 142.
[6] Cai, B. K., & Qiu, J. Y. (2025). The effect of resolutions on the validity of self-dealing contracts from the perspective of corporate interests. *Journal of Fujian Agriculture and Forestry University (Philosophy and Social Sciences), 28*(1), 82-92.

DOI: 10.54254/2753-7048/2026.35495

[7] Yang, W. J., & Luo, K. (2023). The validity of self-dealing contracts and the exercise of the disgorgement right: Taking loans by directors and senior managers from the company as an example. *Journal of Taiyuan University of Technology (Social Sciences Edition), 41*(6), 87-96.
[8] Shi, T. T., & Du, J. (2007). The convergence and legal regulation of related-party transactions under Chinese company law: A Chinese version of the conflict-of-interest transaction rule. *China Legal Science*(6), 126-140.
[9] Wang, X. C. (2024). On the unified and comprehensive adjustment of conflict-of-interest transactions in China. *Jurists Review*(1), 159-173, 195-196.
[10] Shi, S. X. (2020). *Company law* (5th ed.). China University of Political Science and Law Press.
[11] Beijing No. 3 Intermediate People's Court. (2023). Civil Judgment (No. (2023) Beijing 03 Civil Final 17401).
[12] Anhui Quanjiao County People's Court. (2025). Civil Judgment (No. (2025) Anhui 1124 Civil First 327).
[13] Guangzhou Intermediate People's Court of Guangdong Province. (2025). Civil judgment (No. (2025) Guangdong 01 Civil Final 14865).
[14] Cheng, S. B. (2026). Company law (5th ed.). *Tsinghua University Law Journal, 20*(3), 77–97.
[15] Wang, B. S. (2006). From company law in statutes to company law in practice. *Chinese Journal of Law*(6), 27.
[16] Jilin Changchun Intermediate People's Court. (2024). Civil judgment (No. (2024) Jilin 01 Civil Final 795).
[17] Jiangsu Tianning District People's Court of Changzhou. (2024). Civil judgment (No. (2024) Jiangsu 0402 Civil First 3082).
[18] Hami Intermediate People's Court of Xinjiang Uygur Autonomous Region. (2025). Civil judgment (No. (2025) Xinjiang 22 Civil Final 390).
[19] Shanghai Baoshan District People's Court. (2024). Civil judgment (No. (2024) Shanghai 0113 Civil First 18993).
[20] Guangdong High People's Court. (2024). Top ten commercial and financial cases of 2024 (Case No. 7).
[21] Xinjiang Karamay Intermediate People's Court. (2025). Civil judgment (No. (2025) Xinjiang 02 Civil Final 440).
[22] Zhejiang Taizhou Intermediate People's Court. (2025). Civil judgment (No. (2025) Zhejiang 10 Civil Final 2108).
[23] Supreme People's Court. (2021). Civil retrial judgment (No. (2021) SPC Civil Retrial 181).
[24] Li, J. W., & Li, H. (2022). On the source of authority in commercial agency by position. *Journal of Yunnan University (Social Sciences Edition), 21*(5), 114–124.
[25] Jiang, D. X., & Wang, S. J. (2016). On the adjustment of commercial agency under the General Provisions of Civil Law: The logic of comparative law and normative analysis. *Guangdong Social Sciences*(1).
[26] Huang, W. (Ed.). (2020). *Interpretation of the General Provisions Book of the Civil Code of the People's Republic of China*. Law Press China.
[27] Second Civil Division and Research Office of the Supreme People's Court. (2023). *Understanding and application of the judicial interpretation on the General Provisions of the Contract Book of the Civil Code*. People's Court Press.
[28] Wang, Y. Z. (2020). On apparent agency by position. *Journal of Shanxi University (Philosophy and Social Sciences Edition)*(6), 33.
[29] Wang, Y. Z., & Wang, M. X. (2026). Analysis of the constitutive elements of agency by position. *Theoretical Exploration*(2), 120–128.
[30] Hebei Xingtai Intermediate People's Court. (2024). Civil judgment (No. (2024) Hebei 05 Civil Final 1417).
[31] Zhu, G. X. (2024). Attribution of effects where the exercise of agency authority by position exceeds internal authority restrictions. *Global Law Review, 46*(4), 72–89.
[32] Xu, S. C. (2019). A systematic interpretation of the rules on agency by position in the General Provisions of Civil Law: Focusing on group autonomy and transaction security. *Jurists Review*(2).
[33] Xie, H. F. (2016). The basic concepts and important systems of legislation on agency. *Journal of East China University of Political Science and Law*(5), 70.
[34] Zhu, Q. Y. (2016). *General theory of civil law*. Peking University Press.
[35] Chen, K. (2022). Multidimensional observations on judicial intervention in the corporate system: From the perspective of Company Law Interpretation V and the Company Law part of the Ninth Civil and Commercial Trial Conference Minutes. *Commercial Law Review, 9*(1), 61–103.
[36] Xue, B. (2017). On the introduction and application of commercial-law thinking in company-law reform. *Northern Legal Science*(1), 82.
[37] Chi, Y. (2025). The validity and liability of ultra vires agency by position: A commentary on Article 21 of the Judicial Interpretation on the General Provisions of the Contract Book of the Civil Code. *Journal of Comparative Law*(1), 176-190.
[38] Wiedemann, H. (1980). *Gesellschaftsrecht* (Vol. 1). C. H. Beck. p. 530.
[39] Shi, T. T. (2021). How should company law regulate related-party transactions? *Journal of Law Application*(4), 70-81.

DOI: 10.54254/2753-7048/2026.35495

[40] Li, J. W. (2022). *Company Law* (5th ed.). China Renmin University Press. p. 278.
[41] Yao, H. (Ed.). (2019). *Research on the basic theories of the general provisions of civil law*. China Renmin University Press. p. 611.
[42] Jin, J. Y. (2021). Fiduciary duties of controlling shareholders in the United States: Original clarification and transplantation response. *Journal of Comparative Law*(1), 127.
[43] Hu, X. J. (2010). On the legal regulation of directors' self-dealing. *Contemporary Law Review*(6), 64-71.
[44] Velasco, J. (2004). Structural bias and the need for substantive review. *Washington University Law Quarterly, 82*(3), 821-918.
[45] Homer, L. B. (1976). The status of the fairness test under Section 713 of the New York Business Corporation Law. *Columbia Law Review, 76*(7), 1156-1186.
[46] Yunnan Kunming Wuhua District People's Court. (2023). Civil judgment (No. (2023) Yunnan 0102 Civil First 13603).
[47] Beijing High People's Court. (2022). Civil judgment (No. (2022) Beijing Civil Final 330).
[48] Strine, L. E. (2005). If corporate action is lawful, presumably there are circumstances in which it is equitable to take that action. *Business Lawyer, 60*, 877-880.
[49] Palmiter, A. R. (1989). Reshaping the corporate fiduciary model: A director's duty of independence. *Texas Law Review, 67*, 1351, 1361.
[50] Hebei Xingtai Intermediate People's Court. (2024). Civil judgment (No. (2024) Hebei 05 Civil Final 3372).
[51] Tanaka, W. (2021). *Company law*. University of Tokyo Press. p. 258.
[52] Supreme People's Court. (2014). Civil retrial judgment (No. (2014) Civil Petition 111).
[53] Guangxi Nanning Intermediate People's Court. (2023). Civil judgment (No. (2023) Guangxi 01 Civil Final 3950).
[54] Hubei Wuchang District People's Court of Wuhan. (2025). Civil judgment (No. (2025) Hubei 0106 Civil First 6981).
[55] Guangdong Shenzhen Intermediate People's Court. (2022). Civil judgment (No. (2022) Guangdong 03 Civil Final 28980).