

Research on the Value and Significance of the Amendment of Company Law from the Perspective of Constitutional Law

Zhengquan Liu, Peiling Liao*

Dazhou Academy of Administration, Dazhou, Sichuan, China

**Corresponding Author*

Abstract: Under the modern enterprise system and civil and commercial legal framework, companies have become the most important market entities, playing a crucial role in the creation and optimization of contemporary economic development and business environment. The legitimate private property of citizens is not infringed upon, and the state protects the private property rights and inheritance rights of citizens in accordance with legal provisions, which is an important content stipulated in the current Constitution of China. The phenomenon of the company's independent property rights in legal drafting and being excessively controlled and interfered with by operators in reality, which has resulted in infringement of the rights and interests of enterprise employees and creditors, has occurred and cannot be remedied in accordance with the law. Through comparison and comparative research, we can discover the important value of company law provisions in protecting the overall interests of the public and society. The Company Law has undergone several revisions, aiming to continuously enhance the participation of employees in modern enterprise operations and management, safeguard the overall interests of the company, and protect the legitimate rights and interests of creditors. It is also an important value embodiment of constitutional equality in protecting the rights and interests of citizens.

Keywords: Constitutional Law; Company Law; Modern Enterprise System; Modernization of the Rule of Law

1. Introduction

Companies are the most important market entities, and Company Law is the fundamental law of social market economy. The current

Company Law in China was formulated in 1993 and has undergone five revisions, including the 1999, 2004, 2005, 2013, and 2018 revisions. Among them, 1999, 2004, and 2018 were partial revisions to individual clauses, while 2005 and 2013 were significant and comprehensive revisions to the Company Law. The revision of the Company Law on December 29, 2023 is the sixth major revision since the promulgation of the Company Law, and also the largest revision in scale. The revised Company Law has removed 16 articles from the 2018 Company Law, added and modified 228 articles, including 112 substantive amendments. Through this revision, China's current corporate governance system and capital operation system have been significantly innovated, which shows the significant historical process of promoting the modernization of the rule of law in China with Chinese path to modernization from the perspective of governing the country in accordance with the Constitution, and strengthening its system coordination and application effectiveness along the reform trend of the market system.^[1]

China's social rule of law construction has entered a new historical stage.

2. Background, Main Idea, and Overall Requirements of the Revision of Company Law

In the process of formulating laws or legislating, the basic principles and spirit of the Constitution should be followed to ensure the legitimacy, rationality, and impartiality of legislation. For the modification of laws, it is also necessary to abide by the above spirit and basic principles of the Constitution. In the current era of our country, amending the Company Law is a practical need to deepen the reform of state-owned enterprises and improve the modern enterprise system with Chinese characteristics; It is an objective need

to promote the creation of a market-oriented, legal, and international business environment, and better stimulate market innovation momentum and vitality; It is an important part of improving the property rights protection system and strengthening equal protection of property rights; It is an important measure to promote the healthy development of the capital market and effectively serve the real economy.^[2]

The revision of the Company Law aims to promote the modernization of the rule of law in China, further improve the modern enterprise system with Chinese characteristics, and provide solid legal protection for creating a more dynamic Chinese market. This will enable enterprise operators, internal employees, and external creditors to receive equal protection in accordance with the law, help coordinate the rights and interests of the state, society, and citizens, and reflect the state's efforts to optimize the business environment, strengthen property rights protection Legislative proposals to promote the healthy development of the capital market and other aspects.

The overall requirement for amending the Company Law must be based on the basic national conditions of our country at the current stage, combined with drawing on international experience, and also handle well in the constitutional framework system and constitutional law perspective to ensure that the newly revised Company Law is consistent and coordinated with the content of other laws and regulations in terms of content design. In terms of state-owned enterprises, state funded companies should establish and improve the provisions of the internal supervision and management and risk control system in accordance with the law. Meanwhile, we also need to improve the modern enterprise system and adhere to and promote the entrepreneurial spirit of Chinese entrepreneurs.

3. Analysis of the Constitutional Value of t Revised Articles of the Company Law

3.1 Establishing the Right to a Company Name

The company name, also known as the title of the company, refers to the written symbols and markings used by the company in social and economic activities to identify and represent

itself and distinguish it from other legal entities.^[3] Having a legal and valid name is an important prerequisite for a company to become a legal entity and exercise its commercial rights and fulfill its commercial obligations. That is to say, if a company lacks a name or cannot distinguish itself from another company in commercial activities, normal market trading activities cannot be carried out.

With the continuous acceleration of China's economic integration into global integration, its position in the global business environment is becoming increasingly prominent. In terms of optimizing the business environment, new policies are constantly being introduced to promote policy promotion and practical exploration. In the design of civil and commercial legal systems, the right to a company name, as an important right of civil and commercial subjects, faces a series of practical challenges due to the absence of relevant laws, obvious conflicts with trademark rights, and defects in registration management. Establishing a unified system for distinguishing trademarks and trade names, optimizing registration management methods, has become a major highlight of the revision of the Company Law.

The revised Article 6 of the Company Law provides a complete description of the company's "name right" for the first time, strengthening the legal protection of the company's name right. It is particularly important to clearly define and protect various rights, including the right to name, in the revised Company Law. With the development and changes of society, commercial personality rights, which differ from traditional personality rights, often reflect the significant commercial interests of legal persons, and even to a certain extent represent the influence of modern legal persons in the market, thereby bringing significant commercial value and benefits to enterprises.^[4] From the perspective of constructing and improving the legal system of civil and commercial affairs, the emphasis on the right to company name and the design of the system also contribute to the improvement of the legal system for the establishment and registration of companies in accordance with the law.

3.2 Adding a Chapter for Processing Company Registration Issue

Add a company registration chapter in the revised Company Law. Clarify the matters and procedures for company establishment registration, change registration, and cancellation registration. Fully utilize the achievements of information technology construction, clarify the legal effect of electronic business licenses, issuing announcements through a unified enterprise information disclosure system, and making decisions through electronic communication. Expand the scope of assets that can be used as capital contributions, and clarify that equity and debt can be used as valuable capital contributions. Additional provisions have been added to allow for the cancellation of registration through simplified procedures if all shareholders make a commitment to fulfill their debts.

In the revised Company Law, new provisions have been added for the disclosure of registration matters. The name, address, and other information are the core business information of a company, which plays an important role in maintaining market transaction security and market order. Whether from a legal or market perspective, they should be registered as legal matters and publicly disclosed.

Under the current market management mechanism, publicizing registered matters in accordance with the law is an effective way and important procedure to demonstrate integrity to company creditors and potential customers. Publicizing registration matters is beneficial for maintaining the interests of creditors from being arbitrarily infringed by the company, and forming an effective protection mechanism for the interests of other market entities that will engage in economic transactions with them.

The registration information has shifted from application queries to active disclosure, with the aim of improving the transparency of registration information and highlighting the information disclosure function of company registration. The theoretical basis for the effectiveness of registration confrontation is externalism. Once the registered items are registered and publicized, they form a commercial appearance and have credibility to the public. When the registered items are

inconsistent with the actual situation, third parties often find it difficult to know the true situation. In order to protect the trust of third parties in public information and maintain transaction security, the company cannot use unregistered facts against third parties in good faith.

The proposal to optimize company registration services is aimed at solving the problem of overly complex pre-administrative approval and approval procedures in company registration practice. In terms of institutional value orientation, it has shifted from safety priority to efficiency priority, and in terms of institutional philosophy, it has weakened the administrative control color in company registration, emphasized the service attribute of company registration, and is in line with the administrative confirmation nature of company registration. The legality of registration behavior depends on the authenticity of the basic civil act, so for false registration, it should be revoked due to the lack of legitimacy basis.^[5]As a matter of fact, if the act of false registration also involves impersonating someone else's identity to sign or submit false materials, which may involve criminal offenses, it should be adjusted by the Criminal Law. At this point, the adjustment authority of the Company Law has been exceeded.

3.3 Protecting the Right of Shareholders to Access Information

In modern corporate governance models, the ownership and management rights of limited liability companies and joint-stock limited companies are separated. Although shareholders are investors in the company, many shareholders, especially small and medium-sized shareholders, have not actually participated in the actual operation of the company. They must exercise their shareholder access rights to realize their right to information, that is, to understand the company's business information through methods such as reviewing accounting books, in order to effectively supervise the company's operations.^[6]Establishing access rights for shareholders not only ensures their right to know about the company, but also maintains the independence of the company. However, in the practice of company operation, there are often a large number of violations of the rights

and interests of shareholders, especially small and medium-sized shareholders.

The shareholder register is an important basis for a company to inquire about the status of shareholders and the basis for the company to carry out normal activities. Recording matters such as shareholders' "subscribed", "paid in", "contribution method", "contribution date", etc. is beneficial for company creditors and investors to understand the company's asset situation, and thus decide whether to invest, trade, or participate in supervision and management of the company.

Shareholders are the foundation of a company's existence, and the record of the date of acquisition and loss of shareholder qualifications in the shareholder register can effectively record the evolution of the company's shareholder structure and the quality of shareholder status, and can also directly or indirectly reflect the company's operating status to a certain extent.

The right of shareholder inspection is a fundamental right of shareholders, and it is a separate shareholder right, that is, the law does not require shareholders to hold the number of shares. Therefore, for legitimate economic entities operating in the market, they should include natural persons, legal persons, and other illegal organizations. As long as they have shareholder status, they can exercise their right of access, including exercising it in person or entrusting a third party to exercise it. Article 57 of the revised Company Law adds the "Register of Shareholders" and "Accounting Vouchers" as searchable objects for shareholders. In the search method, shareholders are granted the right to entrust third-party intermediaries.

The shareholder register serves as a static means of grasping shareholder information, recording information about shareholders and their equity status. Accounting vouchers, as written proof of the occurrence or completion of economic transactions, directly reflect the dynamic economic transactions of the enterprise. From the revised new Company Law, it can be seen that both the objects and methods of shareholder access emphasize and protect the shareholder's access rights and their realization compared to the current Company Law.^[7] This is not only an important manifestation of maintaining the legitimate operation of the market, but also protecting the

economic status of market entities, especially vulnerable small and medium-sized shareholders. It is an important legal way to prevent capital from excessively infringing on market economic entities. Of course, it is also an important manifestation of the rule of law strategy and constitutional law perspective to legislate and protect the value of people's livelihood.

3.4 Improve the Subscription Registration System

From the perspectives of comparative law and legal economics, the registered capital subscription registration system reflects the legislative development direction of the company's capital system and conforms to the inherent requirements of a market economy.^[8] Since the amendment of the Company Law in 2014 to implement the registered capital subscription registration system, which abolished the contribution period, minimum registered capital, and initial contribution ratio, it has facilitated the establishment of companies, stimulated entrepreneurial vitality, and rapidly increased the number of companies. However, in practice, there have also been situations where the shareholder subscription period is too long, which affects transaction safety and harms the interests of creditors. Therefore, the newly revised Company Law has made certain modifications and improvements to the provisions of the subscription registration system.

3.4.1 A certain degree of restriction has been imposed on the maximum subscription period for the company's registered capital registration

Article 32 of the current Company Law stipulates that the necessary items to be recorded in the shareholder register as a legal document. This article adds three recording items: "shareholder's contribution time", "contribution method", and "time of obtaining and losing shareholder qualification", and distinguishes "contribution amount" into "subscribed" and "paid in" for recording.

Article 47 of the newly revised Company Law stipulates the registration system for subscribed capital of limited liability companies, which requires that "all shareholders shall pay the subscribed capital within five years from the date of

establishment of the company in accordance with the provisions of the company's articles of association," and stipulates a mandatory maximum subscription period.

The current amendment to the Company Law has added provisions on the subscription period for shareholders of limited liability companies, clarifying that the amount of capital subscribed by all shareholders should be fully paid within five years from the date of establishment of the company in accordance with the provisions of the company's articles of association. The five-year maximum subscription period rule is a response to the current situation. Since the implementation of the subscription registration system reform, there have been many companies that have injected registered capital into practice. Shareholders have promised a huge amount of subscribed capital, with a payment period of fifty years or even longer. Moreover, shareholders can transfer their equity before the subscription period expires, which truly undermines the trust of creditors in registered capital.^[9]

Setting a maximum five-year subscription period rule can incentivize shareholders to more rationally evaluate future business needs, investment risks, and reasonable expectations for creditors to receive payments when determining their investment obligations. Based on the standard of five years and the company's average lifespan of five years. Of course, the new Company Law will come into effect on July 1, 2024. This inevitably faces the issue of how to view existing companies.^[10] The legislative arrangement for setting a transitional period reserves sufficient time for the adjustment of funds for a large number of operating stock companies, and does not adopt a "one size fits all" approach. On the premise of ensuring the normal operation of the company, market entities are urged to complete the actual payment of subscribed registered funds to ensure the stable, orderly and healthy development of the market economy.

3.4.2 The responsibility of shareholders for insufficient or untrue capital contributions during the establishment of the company

According to the current corporate structure mechanism in China, it is divided into limited liability companies and joint-stock limited companies. The capital contribution of a

limited liability company (referred to as a limited liability company) only has the concepts of contribution amount and proportion, and there is no concept of shares. In fact, the proportion of capital contribution and the number of shares are only different by name, while in terms of actual nature, the two are consistent. That is to say, the rights that can be represented by amounts and numbers are proportional relationships. As for whether it is called shares or contribution ratio, it's just a different name.^[11]

Article 30 of the current Company Law stipulates the rules for the liability of initiators for defects in their capital contributions, while Article 50 of the newly revised Company Law provides for the placement of "insufficient capital contributions" and "false capital contributions" within the same framework of provisions. In the form of liability, it is stipulated that "those who cause losses to the company should also bear compensation liability."

The reason for revising this content is: firstly, there are two forms of shareholder contributions: monetary and non monetary. The former does not have a difference issue due to the certainty of the currency itself, but during the establishment period, it may also affect the establishment basis of the company due to insufficient payment in accordance with the provisions of the articles of association. Adding corresponding insufficient capital can effectively ensure the authenticity and sufficiency of the registered capital of the company during the establishment period. Secondly, the legal basis for the responsibility of initiators to enrich the company's capital is relatively unique. As the person responsible for the establishment of a company, they have a special role and status in preventing the illegality of the company's establishment procedures and purposes. Therefore, the newly revised Company Law has improved the elements of their liability composition.

3.4.3 The responsibility for withdrawing capital contributions

The act of withdrawing capital is a common illegal behavior in corporate governance practice during a specific period of time under the legal capital system, where shareholders fulfill their investment obligations and then transfer their capital out. It belongs to the behavior of shareholders who harm the

company's property rights or debt repayment ability without going through legal procedures. The prohibition of capital withdrawal is the cornerstone rule of the principle of capital maintenance.^[12] From the reform of our country's corporate capital subscription system to the comprehensive revision of the Company Law, there has been a continuous theoretical debate on the rules prohibiting the withdrawal of capital contributions. Under the background of capital subscription system, the object of capital withdrawal can be interpreted as the "property" of the company rather than the "contribution" of shareholders, while keeping the concept of capital withdrawal unchanged. Shareholders are not allowed to "withdraw their capital" or "withdraw their share capital", which is a rule established since the implementation of the Company Law in 1993 in China (hereinafter referred to as the "withdrawal rule") [See Articles 34, 93, 209 of the Company Law of 1993 and Articles 35, 91, and 200 of the Company Law of 2018]. The current Company Law prohibits the withdrawal of capital contributions, stating that "after the establishment of a company, shareholders shall not withdraw their capital contributions.". It can be seen that the design of this clause is too general, that is, it only has a "assumption behavior pattern" but lacks a system design of legal consequences. The newly revised Company Law not only includes a single shareholder but also expands to include directors, supervisors, and senior management as responsible entities in the system design of responsible entities. At the same time, it also adds provisions for the compensation scope of the above-mentioned responsible entities.

This revision makes the company's recovery of evaded capital more extensive and clear, emphasizing the protection of the company's property, and also clarifying the responsibilities and obligations of shareholders, aiming to enhance their sense of responsibility and avoid the occurrence of evaded capital.^[13]

3.5 Establishing a Shareholder Call for Loss of Rights System

The timely and appropriate fulfillment of the shareholder's obligation to contribute to the company in accordance with the law is the consideration and basis for obtaining and maintaining complete shareholder

qualifications. After the comprehensive reform of the subscribed capital system in China's Company Law, the number of disputes caused by shareholder contributions has increased significantly. The hollowing out of company capital and the increase in transaction risks for creditors have prompted us to think about how to establish company capital and how to strengthen the responsibility of shareholders for violating their investment obligations. The revision of the Company Law this time includes a series of supporting measures, including the shareholder loss of rights system, and the comprehensive subscription system, to improve the front-end reform of the company's capital system. The shareholder loss of rights system enables companies to have the initiative to absorb and enrich company capital, without passively waiting for shareholders to fulfill their obligations as debtors, enhancing the company's financing flexibility. It has different institutional value from the shareholder delisting system.^[14] There is no corresponding institutional design for the shareholder loss of rights rule in the current Company Law. Article 52 of the revised Company Law provides for a separate provision on the system of shareholder call for loss of rights, the corresponding procedure design for shareholder loss of rights, and the handling methods for the corresponding equity of shareholders who have lost their rights.

From the perspective of corporate contract theory, there is a contractual relationship between shareholders and the company that involves paying and receiving capital contributions. Failure to fulfill the obligation to contribute in accordance with the law will endanger the company's capital enrichment and normal operation. Limited liability companies have a high degree of closure, and in order to urge shareholders to pay their contributions in a timely manner and protect the interests of the company and other stakeholders, it is necessary to establish a reasonable exit mechanism for shareholders who violate their investment commitments.^[15]

3.6 Accelerated Maturity System for Capital Contributions

In the current Company Law, there is no corresponding system provision for accelerating the expiration of investment obligations. Under the registered capital

subscription system, there have been many behaviors of company shareholders setting longer investment deadlines in practice, resulting in significant differences between the registered capital and paid in capital of the company for a long time. The long-term lack of sufficient capital contribution by company shareholders has led to frequent occurrences of severe shortage of operating funds, seriously affecting the healthy and stable operation of the company. Due to the fact that shareholders who have subscribed for a long time can still exercise their shareholder rights in proportion, this undoubtedly infringes on the actual rights and interests of other shareholders who do not have subscribed shares in the actual operation of the company. It can be seen that the operation of the capital subscription mechanism in practice has fundamentally changed the company's credit. In fact, although the subscribed capital of shareholders has not been fully paid in for a long time, it still constitutes an organic component of the company's assets. Shareholder contribution is not only a contractual responsibility towards other shareholders and the company, but also a legal obligation due to its public disclosure.^[16] The long-term failure of shareholders to contribute capital will inevitably have consequences that affect the operation of the company, infringe on the rights and interests of creditors to a certain extent, and even affect the overall interests of society. Therefore, the newly revised Article 54 of the Company Law stipulates that the constituent elements for accelerating the maturity of capital contributions are "the company cannot repay its due debts", and emphasizes that the claimant is the creditor of the company and the "matured debt".

From the perspective of corporate contract theory, in the capital contribution relationship between shareholders and the company, the contributions subscribed by shareholders but not yet due can be regarded as the company's unexpired debts. If the company cannot repay its due debts to the outside world, it means that the company's assets can no longer meet the normal operating needs of the company. Therefore, the company can require shareholders to pay their contributions in advance to make up for the asset gap in the company's operations.^[17]

3.7 Publicizing Non-registered Items

Newly added regulations stipulate the obligation of companies to publicly disclose non registered matters, including the amount of subscribed and paid up capital by shareholders of limited liability companies, the method of capital contribution, and the date of capital contribution. The above-mentioned matters do not belong to statutory registration matters, but they still play an indispensable role in protecting transaction security and improving transaction efficiency. It is necessary to establish the obligation of the company to disclose specific non registration matters, improve the efficiency of the counter-party in obtaining company information, and reduce transaction costs between them and the company.

The newly revised Article 229 of the Company Law has designed a provision that "the reasons for dissolution shall be disclosed through the national enterprise credit information disclosure system within ten days". This not only conforms to the requirements of the electronic and information age in form, but also helps stakeholders such as creditors, small and medium-sized shareholders, and employees who arise during the company's operation process to understand the reasons for the dissolution of the company, Research and determine the disposal method of the company's remaining assets, as well as how to maintain its own property rights and interests.

3.8 Modification and Improvement of Legal Liability Clauses

3.8.1 Legal liability for false registration

Article 198 of the current Company Law stipulates the legal liability for false registration. The false registration of a company is actually carried out by internal personnel of the company, and when punishing the company, the individual responsibility of the perpetrator should also be emphasized. Therefore, the newly revised Company Law has added penalties for those directly responsible for false registration.

Article 250 of the newly revised Company Law adjusts the upper limit of fines for false registration from 500000 yuan to 2 million yuan, removes the consequences of revoking company registration in serious cases, and instead imposes fines and revokes business licenses. At the same time, new regulations

have been added to impose fines ranging from 30000 yuan to 300000 yuan on directly responsible personnel. In the context of fully implementing formal review standards, changing the original amendment behavior to administrative penalties at the legal level is conducive to cracking down on false registration behaviors that violate rules such as using others' identity information, stabilizing the transaction order of honest registration and operation of market entities, maintaining a harmonious and orderly business environment from the perspective of constitutional law, and equally protecting all market entities.

3.8.2 Legal responsibility for not disclosing or not disclosing relevant enterprise information truthfully

The revised Company Law in 2013 carried out significant reforms to the company's capital system. As one of the supporting measures for the reform, the "Reform Plan for the Registered Capital Registration System" in February 2014, abolishing the annual inspection system for enterprises that had been in operation for many years and implementing the enterprise information disclosure system instead. The transition from the annual inspection system to the information disclosure system is a major institutional change in the field of commercial registration in China. Compared with the annual inspection system, the enterprise information disclosure system has undergone significant changes in both value orientation and government function positioning, achieving significant innovation in market management concepts and institutional innovation.^[18] The enterprise information disclosure system, as an alternative mechanism to the annual inspection system, takes safety and efficiency as its basic value choices. Through enterprise information disclosure, market entities can easily understand the operational information of enterprises, evaluate their credit, judge transaction risks, and ensure transaction security; It is undoubtedly in line with efficiency to achieve the legislative goal of ensuring transaction security through the implementation cost of the lower system of information disclosure.

The newly revised Company Law specifically establishes legal liability in Chapter 14 for undisclosed or untrue disclosure of relevant enterprise information. That is, for minor

violations, a lower amount of fine shall be imposed; If the circumstances are serious, a high fine shall be imposed; At the same time, direct responsible persons (mainly natural persons) will also be fined.

3.8.3 Legal liability for false investment

The adoption of a fully subscribed capital system in the Company Law does not shake or negate the legal principles and liability mechanisms of limited liability of shareholders. However, under the company's capital subscription system, the scope of finance of a limited liability company is no longer limited to the actual amount of capital contributions made by shareholders, but also includes the amount of capital contributions subscribed by shareholders. The adoption of the subscribed capital system does not negate the basic requirements for the authenticity of company capital, nor does it exempt shareholders from their obligation and responsibility to contribute capital under the registered capital. False reporting of registered capital, false contributions, and withdrawal of contributions are still illegal behaviors prohibited by the Company Law.^[19]

The current Company Law uniformly determines the amount of fines for false capital contributions based on the proportion of false capital contributions, that is, imposing fines ranging from 5% to 15% of the false capital contributions. However, sometimes the amount of capital contributions by companies can reach tens of millions, and it is inevitable that the responsibilities of the initiators and shareholders will be imbalanced based on this proportion. Therefore, the new Company Law has designed a gradient for the legal liability of false investment, that is, if the circumstances are not serious, a fine of not less than 50,000 yuan but not more than 200,000 yuan shall be imposed; If the circumstances are serious, a fine of not less than 5% but not more than 15% of the amount of false investment or non investment shall be imposed; A fine of not less than 10,000 yuan but not more than 100,000 yuan shall be imposed on the directly responsible supervisors and other directly responsible personnel. Thus, the principle of allocating responsibility based on equivalent punishment is implemented.

3.8.4 Legal responsibility for withdrawing capital contributions

Withdrawal of capital contribution refers to the

act of shareholders secretly withdrawing their capital assets that have been transferred to the company's name after the establishment or verification of the company, while still retaining their shareholder identity and original amount of capital contribution, which is also fraudulent in nature. And this process usually involves other shareholders, directors, senior executives, or actual controllers assisting shareholders in withdrawing their capital contributions. Article 14 of Interpretation 3 of the Company Law clarifies the joint and several liability of other shareholders, directors, senior management personnel, or actual controllers who assist in evading capital contributions. Although there are still certain differences in the application of law in judicial practice among courts in different regions, there is no doubt that the design of clauses regarding capital withdrawal is aimed at increasing the illegal cost of engaging in capital withdrawal in legislation.^[20] The newly revised Article 253 of the Company Law further clarifies the legal responsibilities of the directly responsible supervisors and other directly responsible personnel, and further improves the legal responsibility system for withdrawing capital contributions.

4. The Contemporary Significance of Amending Company Law from the Perspective of Constitutional Law

The Company Law is the fundamental law that regulates the organization and behavior of companies, and plays a significant role in safeguarding the legitimate rights and interests of companies, regulating their business operations, and promoting social and economic development. From the perspective of constitutional law, the contemporary significance of amending the Company Law can be explained from three aspects: safeguarding human rights and freedoms, promoting economic development, and promoting the construction of legal civilization.

4.1 Safeguarding Human Rights and Freedoms

The Constitution stipulates that the state respects and safeguards human rights, and stipulates that citizens have seven types of personal freedoms, including publishing,

assembly, association, procession, and demonstration. In the Company Law, citizens naturally have legal property protected in accordance with the law. For shareholders who contribute to the company and enjoy equity in accordance with the law, they have the legal right to supervise the establishment, organization, operation, dissolution, and other aspects of the company in accordance with the specific provisions of the Company Law to ensure that the overall interests of the company are ultimately transformed into the legitimate interests of shareholders and creditors. From the perspective of constitutional law, the revision and improvement of the provisions of the Company Law, especially in the protection of shareholder rights, strengthening corporate governance, and preventing the abuse of power by controllers, helps to further protect the personal rights and property rights of investors, including creditors, shareholders, and employees of the company. It is conducive to maintaining social justice and harmony, and promoting the realization of people's pursuit of freedom and value goals.

4.2 Promoting Economic Development

In China, the capital market is a product of reform, opening up, and economic system reform. With the continuous development of social market economy, China's capital market is also constantly expanding. The market capacity is constantly expanding, trading varieties are constantly increasing, trading methods are constantly innovating, legal norms are constantly improving, and regulatory measures are also constantly moving towards standardization. The capital market plays an increasingly important role in national economic life. A company is one of the most fundamental entities in a market economy. The revision of the Company Law is conducive to regulating market behavior and promoting the healthy development of the market economy. By amending the Company Law, companies can optimize their operating environment, enhance their competitiveness, promote the stability of the capital market, and continuously promote the development of the social economy.^[21]

4.3 Promote the Construction of Legal Civilization

Whether it is the national system or the centralized governance system reflected in it, whether it is the execution of the system or the governance capacity reflected in it, it cannot be separated from the construction of the rule of law civilization. The civilization of rule of law is the sum of the spiritual, institutional, and practical achievements of human beings in using law to control themselves and transform the world. It is an important symbol of human civilization progress.^[22]

The construction of Company Law is an important component of China's legal civilization construction, and its formulation, revision, and improvement are conducive to promoting the overall process of social legal civilization construction. By amending the Company Law, we can enhance the transparency and predictability of the legal system, improve the enforcement and effectiveness of laws, promote the development of legal civilization, and advance the construction process of Chinese style legal civilization and modernization.^[23]

5. Conclusion

This revision of the Company Law highlights the constitutional value of using the spirit of the Constitution to consolidate legislative consensus, and will have a significant and far-reaching substantive impact on over 43 million companies in China. It can be said that the amendment of the Company Law is actually an important manifestation of providing further protection for the equal rights of citizens in constitutional law. Ultimately, it will better reflect the will of the people, safeguard their interests, promote social fairness and justice, and promote economic and social development; At the same time, it also helps to improve the scientific, rational, and effective nature of legislation, providing strong guarantees for building a social rule of law country. By continuously improving and amending the Company Law, we can better adapt to the needs of the times and maintain social justice, freedom, and stability.

References

[1] Zhao Xudong. Reform of Corporate Governance System in the Revision of Company Law. *China Legal Review*, 2020 (3): 119-130.

- [2] Zou Jun. State ownership and deepening of state-owned enterprise reform. *Inner Mongolia Social Sciences* (Chinese version), 2019 (6): 132-138.
- [3] Chen Shugao, Liu Jinwei. Research on Legal Issues of Company Name Rights. *Contemporary Law*, 2001, (5): 6-8.
- [4] Cai Peizhan. Counterfeit Enterprise Names: True Unfair Competition. *Guangzhou Chemical*, 2019 (24): 9-10
- [5] Xiao Jianguo, Zhuang Shiyue. On Civil Rights Sufficient to Exclude Compulsory Enforcement in Complaints of Objections by Non Parties: Centered on the Execution of False Registered Property. *Legal Application*, 2018, (15): 11-22
- [6] Yao Weizi. Empirical study on shareholder access rights in companies. *Journal of Huainan Vocational and Technical College*, 2023 (5): 130-133
- [7] Zhang Ping. Definition and Improvement of Shareholders' Access Rights in Limited Liability Companies. *Journal of Law*, 2011 (4): 46-49
- [8] Wang Xuedan. Analysis of Capital Subscription Registration System for Limited Liability Companies - A Study on the Reform of Commercial Registration in the Pearl River Delta Region. *Jinan Journal (Philosophy and Social Sciences Edition)*, 2013 (6): 96-102
- [9] Wang Qingsong. Reconstruction of registered capital subscription registration system under the goal of optimizing business environment. *Hubei Social Science*, 2022, (1): 125-136
- [10] Ma Lianfu, Qin He. How can existing companies on the Growth Enterprise Market respond to the "wolf's arrival" under the pilot registration system—from the perspective of investor relationship management. *Modernization of Management*, 2021 (2): 8-11
- [11] Shen Chaohui. Company Types and Benefits of Company Law System. *Tsinghua Law*, 2022, Volume 16 (2): 57-74
- [12] Wang Yuying. On the Normative Positioning of the Rule of Prohibiting Evasion of Capital Contributions. *Comparative Law Research*, 2023, (5): 138-148
- [13] Wang Jun. Systematic Reform of Capital Withdrawal Rules and Company

- Distribution System. *Legal Research*, 2021, Volume 43 (5): 81-97
- [14] Yu Ying, Shen Wei. Legal Structure of Shareholder Loss of Rights System. *Journal of Social Sciences*, Jilin University, 2023 (6): 32-44230-231
- [15] Wang Aiqun, Liu Yaona. The threat of non controlling major shareholder exit and corporate innovation efficiency. *Journal of Finance and Economics*, 2021, (11): 89-101
- [16] Zhang Xuxin. On the Accelerated Expiration of Shareholders' Investment Obligations in Existing Companies. *Learning and Exploration*, 2023 (8): 97-106
- [17] Zhang Min'an. Research on Corporate Contract Theory. *Journal of Modern Law*, 2003, (2): 45-50
- [18] Li Yuzhuo. Beyond and Reflection: From Enterprise Annual Inspection System to Enterprise Information Disclosure System. *Journal of Harbin University of Commerce (Social Science Edition)*, 2021, (2): 119-128
- [19] Zhao Xudong. Limited Liability of Shareholders under the subscribed capital system: A Discussion on the Recognition of False Reporting of Capital, False Contribution, and Evasion of Capital. *Legal Application*, 2014(11): 13-17.
- [20] Zhang Xi. Empirical Study on the Application of Article 18 of the Interpretation III of the Company Law on the Transfer of Equity after Capital Withdrawal. *Legal Application*, 2022 (2): 145-156.
- [21] Wu Xiaoqiu. The key to promoting stable development of the capital market is comprehensive innovation. *Qiushi Magazine*, 2008 (17): 35-36
- [22] Li Lin. Modern Chinese Rule of Law Civilization and Its World Significance. *Chinese Social Sciences*, 2022 (12): 59-69.
- [23] Fu Zitang, Li Lin, He Qinhua, Zhou Xiaofan, Huang Jin, Jin Chen, Wei Dong, Cai Lidong. The Chinese Expression of Rule of Law Civilization. *Chinese Social Sciences* 2022 (12): 43-44.