

# Abstract

This work helps us understand the fundamental features of supervision in Chinese corporate governance system. Besides that it brings valuable thoughts on corporate governance as whole.

The first two chapters will introduce the situation of Chinese socio-legal development and general idea of need of supervision in relation to the corporate governance. The third chapter will focus on the board of supervisors in German law, in the chapter four the description of Chinese board of supervisors concept will follow. In the same pattern we will follow the US institution of independent directors, and that of its Chinese counterparts. The analysis of Chinese institution is the core of this thesis. Final part is the conclusion drawn from previous facts in chapter 5.

This thesis should answer questions such as: What role should each of the two-layer supervision body institution assume? Did China adopt these institutions properly i.e. in accordance with its own needs? Which adjustments should be done?

The author concludes that the Chinese system lacks systematic solution and the Chinese despite their slogans exhorting to follow the local conditions, in reality, did not do so. The most part of the regulations was blindly transplanted Nevertheless the sole idea of using simultaneously both institutions is not unreasonable itself, but in the Chinese situation it is not necessary to create two different bodies exercising the supervision powers. Although the Chinese seek to improve this doubled system, it would be hard to avoid any overlapping authority.

Having analysed Chinese local conditions, the author is of the opinion that PRC should move closer to the German idea of the BOS with independent directors elements. But the facts presume that such a change is not possible in the near future, with respect to he recent development.