

# *Civil Liability of Intermediaries in False Statements of Securities*

Yizhou Wang<sup>1,a,\*</sup>

<sup>1</sup>International Business School, Tianjin Foreign Studies University, No. 60 Xuefu Street, Dagang District, Tianjin Municipality, China

a. kuining@ldy.edu.rs

\*corresponding author

**Abstract:** Securities intermediaries such as sponsors, accounting firms, law firms and asset credit assessment agencies are important components of the capital market. In recent years, securities misrepresentation cases have occurred frequently, and securities intermediaries have been more or less identified as having certain faults and bearing corresponding civil liabilities. The judgment of some of these cases has caused a lot of disputes and discussions, which exposes the inadequacy of the law on the civil liability of securities intermediary agencies for false statements, which brings a lot of trouble to the securities market and judicial practice. This paper takes the civil liability system of securities intermediaries for false statements as the research object, adopts normative analysis method, case study method and comparative study method to sort out the legal system and judicial status quo of securities intermediaries for civil liability of false statements, finds and demonstrates the existing difficulties, and tries to put forward corresponding improvement paths.

**Keywords:** Securities Intermediaries, Civil Liability, Legal Reform, Securities Misrepresentation, Judicial Practice

## 1. Introduction

Throughout the five revisions of the Securities Law of our country, the civil liability of securities intermediaries has always been the top priority of the revision of the Securities Law. After 19 years of revision, securities intermediaries really play the "gatekeeper" of the capital market and become one of the protagonists of the capital market. The change of role means that securities intermediaries will bear more direct and strict responsibilities to ensure that issuers' information can be disclosed truthfully, completely and timely to prevent them from disrupting the normal order of the securities market. However, in recent years, with the frequent occurrence of securities misrepresentation cases involving intermediary institutions, the existing problems in current judicial practice, such as non-uniform judgment standards for the allocation of civil liability for misrepresentation by intermediary institutions, and excessive civil liability borne by securities intermediary institutions, also appear. In the face of the increasingly prominent disadvantages of the current Securities Law, the number and complexity of false statement cases have increased rapidly, and the pressure of the judicial organs has also increased. The judicial practice of securities false statement liability disputes has experienced a change from the judgment that the intermediary institutions bear all joint and several liabilities to some joint and several liabilities.

Based on the above background, this paper will sort out the relevant theories and judicial disputes and find the dilemma of the civil liability of securities misrepresentation intermediaries. By examining the civil liability system of securities intermediaries for misrepresentation in foreign countries and combining with the preliminary results of China's judicial practice system exploration, this paper proposes the solution of implementing "proportional joint and several liabilities" and demonstrates its feasibility, so as to resolve the contradictions between laws and regulations and build a coordinated and unified legal system.

The research on the proportional joint and several liabilities mechanisms will not only provide theoretical support for judicial application, but also provide feasible suggestions for the promulgation of the next legal documents by the legislature and the judicial department. It will help to solve the unfairness of the current situation that securities intermediaries need to bear all joint and several liabilities for debts with issuers due to general negligence or minor negligence under the background of the comprehensive registration system. Moreover, it can further reduce the cases of securities misrepresentation, clarify the joint and several liabilities bearing mechanism of securities misrepresentation intermediaries, resolve disputes among securities intermediaries, protect the interests of investors, and create a healthy market environment.

## **2. The Dilemma of Civil Liability of Intermediaries in False Statements of Securities**

### **2.1. The Forms of Joint and Several liabilities Stipulated in the Securities Law are Single**

The liability of securities intermediaries for misrepresentation under the Securities Law is very simple. On the one hand, in the Securities Law, the joint and several liabilities of the intermediary is applicable to all fault situations, without distinguishing the different subjective forms of the intermediary such as intention, knowledge and negligence. On the other hand, the Securities Law only stipulates the joint and several forms of liability for intermediaries, and does not provide other forms of liability for choice.

In practice, the compensation to the investors by the subject of misrepresentation is a kind of "majority responsibility". According to Article 178, paragraph 1, of the Civil Code, "Where two or more persons assume joint and several liabilities in accordance with law, the right holder has the right to request some or all of them to bear the liability." Therefore, the infringed can choose the object of claim when suffering losses, and the claim can be made to any joint and several liabilities subject. Once the responsible entity is selected, it is obliged to compensate the investor for all the losses regardless of the actual size of its fault. Although Article 178 of the Civil Code stipulates that after the joint and several liabilities subject assumes the liability for compensation externally, it can recover its share of liability exceeding its own from other liability subjects. But in practice, when one of the liable subjects does not have the ability to compensate, it is difficult for the liable subjects with solvency to recover a reasonable share.

### **2.2. The Judgment Standard of Responsibility Allocation is Inconsistent**

Looking at the cases of securities intermediaries taking responsibility for false statements in recent years, the judgment results of similar or even the same cases may be far apart. In some cases, courts tend to impose the responsibility of "gatekeeper" by sentencing intermediaries to bear full joint and several liabilities. Conversely, other courts adhere to the trial principle of "Fault and liability are equivalent" and sentence securities intermediaries to bear proportional joint and several liabilities or supplementary liability.

For example, in the "Baoqianli case", the first-instance court found Yinxin Asset Appraisal Co., Ltd. negligent in its duties, which exacerbated or failed to prevent avoidable losses. The court ruled that Yinxin should bear supplementary compensation liability, emphasizing the need for a balanced

duty of care that does not excessively burden intermediaries and disrupt market responsibility boundaries [1]. However, the Guangdong Provincial High Court later overturned this decision in the appeal, citing gross negligence on the part of Yinxin and assigned it 30% of the total joint and several liabilities without detailing its reasoning for this significant shift in fault assessment or the inadequacy of the initial supplementary liability.

A similar phenomenon also appeared in the "Huaze cobalt-nickel case", where the court of first instance ordered Guoxin Securities to bear 40% of investors' losses, and Ruihua Accounting firm to bear joint and several liabilities for investors' losses within 60%. In the second instance, the court decided that their fault was not ordinary negligence, but a major fault and decided that they should bear all joint and several liabilities.

These varying judgments highlight the subjective leanings of different judges, causing the application of civil liability in misrepresentation cases to oscillate between full and partial joint liabilities. As the case of such cases is generally more complex, in practice, there are often problems such as the identification of causality and the identification of the way to bear responsibility. This not only makes the main body of the securities market feel confused when carrying out market activities, but also reflects the judicial discretion dilemma of the allocation of civil liability in such cases.

### **2.3. The Civil Liability of the Intermediary Agency is too Heavy for False Statements**

In practice, some courts tend to apply full joint and several liabilities to securities intermediaries and widen the scope of civil liability subjects when trying false statements cases. However, if investors are blindly encouraged to take as many financial entities as possible as defendants, it will lead to excessive deterrence, which is not conducive to the healthy operation and development of the securities market [2].

First, it would make securities intermediaries liable for far more than they were guilty of. The object amount of the capital market is often more than tens of millions, once the joint liability is investigated, the securities intermediary institutions are often faced with great economic pressure and bankruptcy risk. This point is very obvious in the "Kangmei Pharmaceutical Company case", Guangdong Zhongzhujiang Accounting firm in more than 10 years of cooperation with Kangmei Pharmaceutical Co., LTD., the total remuneration is only 5 million yuan. The actual loss of investors in the case was assessed by professional institutions and was 2.459 billion yuan after deducting the system risk [3]. The compensation liability that Guangdong Zhongzhujiang Accounting firm needs to bear far exceeds its income.

Secondly, expanding the scope of civil liability of intermediary institutions will also bring a series of negative consequences to the capital market and break the ecological balance of the capital market. This is because while the full joint and several liabilities protects the interests of the majority of small and medium investors, it damages the interests of the intermediary institutions to some extent. In reality, many listed companies are in poor financial condition or have been or are about to be delisted when they are held liable for false statements. The compensation ability of the controlling shareholder, the actual controller and the main responsible body of the listed company often has great problems. When investors are unable to get compensation from these responsible entities, they will turn their attention to the less delinquent but solvent intermediaries, resulting in many intermediaries ultimately bearing compensation far beyond their fault. In order to transfer this risk, securities intermediaries will naturally raise prices or reduce or even stop providing services to high-risk enterprises such as specific industries or start-up companies, which will lead to high information acquisition costs in the securities market.

### **3. Comparative Analysis of International Legal Frameworks for the Civil Liability of Securities Intermediaries**

In the field of tort liability of securities intermediaries acknowledges the complexities inherent in the securities market's unique pricing and trading mechanisms, making it difficult to accurately calculate and fully compensate for investors' losses. Furthermore, compensating investors fully for losses essentially transfers the inherent risks of investment from the investors to the intermediaries, creating counterproductive incentives [4].

Comparative law reveals a trend from joint and several liabilities towards a mixed liability model, primarily based on proportional liability, in response to these challenges. Notably, the US Congress passed the Private Securities Litigation Reform Act of 1995, it has gradually changed from joint and several liabilities to the mixed liability type mainly based on proportional liability. Australia, Canada, Britain, Spain and other major capitalist countries have learned from this compensation system of proportional liability. For example, according to the relevant provisions of its civil code and audit Law, Spain has made it clear that the liability undertaken by the audit institution should be proportional to the degree of fault and the cause force [5], while Article 20-1, paragraph 5, of the Securities Exchange Law of Taiwan, China, also stipulates that the specific determination of the liability ratio must be based on the specific judgment of the judge on various factors in the case [6]. The application of the compensation rules of proportional liability to securities intermediaries has gradually become the mainstream, and this kind of legislative example has been supported by Chinese scholars [7]. The form of proportional joint liability appearing in domestic judicial practice has been affected by the legislative examples of external proportional liability.

#### **3.1. The United States**

##### **3.1.1. Background and Initial Legislation**

The system of full disclosure of bond issuance information originated in the Great Depression of the United States in the 1930s. In the case of serious social and economic contradictions, cases occurred frequently in the securities market, and investors lost confidence in the securities market. In order to change the chaos of the securities market and fill the gap left by the state securities laws and the self-regulation of Wall Street, the United States launched a drastic securities regulatory reform, and the Securities Act of 1933 came into being. Article 11 draws on the misrepresentation provisions in the Companies Act 1929 of the United Kingdom to clarify that issuers and directors, signatories of the registration prospectus, underwriters, accountants and other professionals shall bear legal joint and several liabilities for misrepresentation of securities. In the case of such broad subject caliber, investors are not required to prove causality of damage, which shows that the first regulation of civil liability of intermediaries for misrepresentation in the United States is strict [8].

Under the rigorous system, investors who suffer losses will mostly choose accounting firms with strong financial strength, sponsor institutions and other "deep pocket" subjects as the first objects of litigation, resulting in the determination of the actual compensation subject is no longer based on the degree of fault, instead who is more solvent among the infringing majority. Securities class action lawsuits against accounting firms have increased significantly, which makes it difficult for them to fulfill their normal audit function [9].

##### **3.1.2. Evolution of Liability Standards**

In response to these issues, the U.S. Congress enacted the Private Securities Litigation Reform Act in 1995, which amended the civil compensation system for CPAs. The Act introduced the concept of

proportional liability, applying the principle of "fair share" to the liabilities of securities intermediaries.

This system involves a three-step judicial process: first, determining whether the defendants violated the Securities Law; second, distributing the compensation liability among those found liable; and third, assessing whether the violations were intentional. The core is the second step, which needs to determine two main issues, one is which entities need to bear the liability for damages, and the other is how to share the damages fairly among various entities. The Act stipulates that three factors must be considered in solving the above two problems: first, the nature of the conduct; second, the causal relationship between the behavior and the damage result; third, if there is a causal relationship, what is the subjective mentality of each actor? If the perpetrator intentionally violates the law subjectively, it needs to bear joint and several liabilities. If the perpetrator is subjectively negligent rather than intentional, then each subject with the harmful act shall bear the corresponding proportion of joint and several liabilities according to the size of the loss caused by it.

In addition, to ensure that plaintiffs are adequately protected, the law specifies conditions under which enhanced liabilities may be imposed on the perpetrators in cases of subjective negligence: if the plaintiff's net assets are less than \$200,000 or if the damages resulting from the false statement exceed 10% of the plaintiff's net worth. Under these conditions, if proportional joint and several liabilities do not fully cover the plaintiff's losses, the responsible party is required to bear unlimited joint and several liabilities.

### 3.2. Japan

In Japan, legal theories around the civil liability of securities intermediaries are shaped significantly by broader tort law concepts, but they bear particular importance when applied to the complexities of securities misrepresentation. The common theory of objective correlation is commonly used in Japanese academic circles, which has some problems such as insufficient reasons to require the doer who does not have complete causal relationship to bear full responsibility or joint and several liabilities, and may lead to the doer who has less effect on the damage result to bear too harsh responsibility.

#### 3.2.1. Illegality Difference Theory

The illegality difference theory, which critiques the general application of the objective correlation theory in Japanese law, is particularly relevant to securities intermediaries. According to Kawai Takeshi, the author believes that while the objective joint theory is used to establish the tort of several people, the scope of liability of the infringer should be limited, that is, each actor should bear joint liability according to the degree of violation of their behavior [10]. In order to realize the fairness between the perpetrators, the theory proposes to limit the scope of joint and several liabilities of each infringer, that is, to balance the relief of the victim and the fairness between the torts. This theory addresses the shortcomings of applying a uniform liability regardless of the degree of causation. For securities intermediaries, this means adjusting the scope of liability based on the specific illegal actions they commit.

In multiple torts, the form of joint and several liabilities are provided for the purpose of protecting the remedies of the victim, and should not be a ground that can make each actor liable for the total damage beyond the causes of his own making. For instance, if a securities firm fails to adequately verify information that leads to investor losses, but their role was less direct compared to another firm that intentionally falsified this information, the illegality difference theory would argue for a lesser penalty for the less culpable firm. This ensures that penalties are not only punitive but also justly



apportioned, thereby maintaining the integrity of legal proceedings and ensuring that securities markets function within a framework of ethical responsibility.

### **3.2.2. Partial Causation Theory**

Sawao Hamagami, a representative scholar of the theory of partial causality, believes that in the case of multiple causes competing, each behavior often does not have the same causal force, and each behavior often has only a partial causal relationship to all the damage results, so in terms of responsibility, it only needs to bear the responsibility corresponding to its behavioral force [11]. Based on the effect of each act on the result of damage, the respective causal relationship of the tortious act is determined, and the tortfeasor only bears the corresponding responsibility for this part. This perspective is particularly crucial in complex securities operations where multiple actions contribute to the final outcome. For example, if a securities analyst misinterprets financial data and a brokerage subsequently uses this analysis to advise clients erroneously, each party's liability would be assessed based on their specific contribution to the resulting losses.

The application of the partial causation theory helps prevent a blanket application of liability, which can often lead to disproportionate penalties and a potential chilling effect on the securities industry. By ensuring that each intermediary is only held responsible for the damage directly linked to their actions, this theory fosters a more equitable legal environment and encourages a more cautious and responsible approach among securities professionals.

## **4. Optimal Approaches to Civil Liability in Securities Misrepresentation**

### **4.1. Differentiating Types of Civil Liability Based on Fault Severity**

In order to avoid excessive aggravation of the responsibility of securities intermediary institutions, it is necessary to reasonably divide and limit the responsibility that intermediary institutions should bear for false statements. At present, in judicial practice, when the court determines the tort liability, it will more precisely refine the determination of the constituent elements, such as limiting the scope of loss through the distinction of causality. However, the scientific and reasonable determination of the liability sharing among several torts should be determined according to the size of the torts' faults.

In tort law, the basic forms of fault can be divided into intent, gross negligence, general negligence and minor negligence. In the case that the intermediary is subjectively intentional, it directly violates its duty as the "gatekeeper" of the securities market, and the securities intermediary and the issuer actually have a common will, constituting a typical subjective joint tort [12]. Therefore, there is no doubt that the intermediary and the issuer bear joint liability in this case.

Compared with the situation where the subjective state of the intermediary is intentional, the problem of liability allocation when the securities intermediary is negligence is more complicated. Negligence can be divided into gross negligence, general negligence and minor negligence. When the negligence of the intermediary agency is gross negligence, it should bear all joint and several liabilities with the issuer, because gross negligence is a kind of fault form with strong moral culpability [13], and it is necessary to apply the same legal liability bearing method as the intentional subjective state. In addition, in the case that the intermediary is general negligence or minor negligence, the intermediary should only be liable for part of the liability within the scope of its duties, that is, proportional joint and several liabilities is applicable. However, according to Article 1171 of the Civil Code, objectively related joint torts can bear joint liability or share liability. Therefore, when determining the civil liability of an intermediary for misrepresentation, in addition to the subjective state of the intermediary, it is also necessary to consider the results caused by the tort of misrepresentation carried out by the intermediary. When the misrepresentation carried out by the intermediary alone is sufficient to cause all damages to the investor, the intermediary shall bear full

joint and several liabilities for compensation. After a comprehensive investigation of the causative force of its harmful behavior, it is concluded that the intermediary's behavior is not enough to cause all the damage, and it can bear the proportional joint and several liabilities.

## **4.2. Application and Implications of Proportional Joint and Several Liabilities**

### **4.2.1. Legal Framework and Judicial Application**

Article 163 of the Securities Law, Article 24 of the Judicial Interpretation of 2003, and Article 31 of the Proceedings of the Symposium on the Trial of Bond Dispute Cases in National Courts respectively use the expressions of "joint and several liabilities", "bear the liability for the part that bears the responsibility", and "determine the legal liability that it should bear". There are contradictions and ambiguities between the provisions that require intermediaries to bear joint and several liabilities and require them to bear partial liability. The aforementioned possibly contradictory provisions reflect the legislative thought that lawmakers hope that each intermediary institution and listed company will bear joint and several liabilities, and that their scope of responsibility will have a certain limit.

Therefore, in judicial practice, the court expanded Article 163 of the Securities Law to "proportional joint and several liabilities" to coordinate various legal norms. The specific practice of the court is: if other liable subjects conspire with the listed company, they shall bear joint liability with the listed company; If the other liable subject is only fault, it shall bear joint liability with the listed company within a certain range according to the fault and the cause force. This judgment method is summarized as "proportional joint and several liabilities". With the gradual development of judicial practice, more and more courts choose "proportional joint and several liabilities" as the first choice of the form of tort liability for false statements of intermediaries. Behind this choice is the pursuit of matching fault with responsibility and the expectation of a virtuous cycle in the securities market.

### **4.2.2. Proportional Liability in Complex Tort Scenarios**

"Proportional joint and several liabilities" can be applied to the cases where the intermediary agency infringes the securities misrepresentation separately due to general negligence and the listed company. In the separate tort system, torts are categorized based on the causal relationships between each party's actions and the final damage, resulting in classifications into typical separate torts and superimposed separate torts, as outlined in articles 1172 and 1171 of the Civil Code respectively [14].

When an intermediary's involvement is based on general negligence, and they do not conspire directly with the issuer or the issuer's internal controllers who are positively and intentionally involved in misrepresentations, the intermediary's responsibility should be proportionally adjusted. This is because their actions alone may not have caused the full extent of the investor's damages. Such cases do not fit cleanly into either typical or superimposed separate tort categories but rather fall into a semi-superimposed type of infringement. This category acknowledges that the intermediary's negligence contributed to the damages but was not solely responsible for them. This understanding is pivotal for defining semi-overlapping torts, a concept not explicitly detailed in the Civil Code but elaborated through judicial interpretations such as those provided in the environmental tort context [15].

### **4.2.3. Legal Basis and Jurisprudential Support for Proportional Liability**

The principle of matching fault with responsibility underpins the legal rationale for proportional joint and several liabilities. This principle is supported by several legal provisions.

Article 178 of the Civil Code allows a right holder to request any or all involved parties to bear the liability, which inherently supports the application of proportional liability when full joint and several liabilities are not explicitly required. Moreover, legal precedents, such as those set by environmental law interpretations, further illustrate scenarios where only the perpetrators capable of causing the total loss are held fully liable, reinforcing the concept of proportional responsibility. Additionally, recent amendments, like Article 13 of Several Provisions of the Supreme Law in 2022, refine the interpretation of fault under the Securities Law, differentiating between general and minor negligence versus intentional and gross negligence, thus limiting the applicability of full joint and several liabilities to only the most severe faults.

Compared with the traditional method of determining several tortfeasors to bear joint and several liabilities and then pursuing internal recovery between tortfeasors, "proportional joint and several liabilities" will not cause those who only have general or minor negligence to bear the liability that does not match the fault, and can also avoid the unnecessary loss of judicial and social resources caused by the division of liability. Hence, the flexibility inherent in interpreting "proportional joint and several liabilities" suggests that it is both legitimate and reasonable for the court to mandate that intermediaries assume such liabilities in disputes concerning securities false statements, particularly within the context of semi-superimposed separate infringements.

#### 4.2.4. Practical Applications and Wider Legal Implications

Proportional joint and several liabilities have already shown their effectiveness in sectors beyond securities, such as environmental and e-commerce law. In the field of environmental pollution infringement, actors with lesser contributions to pollution bear "partial joint liability" relative to their impact, ensuring that responsibility is equitably assigned based on the actual causative power of each actor [16]. In the field of e-commerce, platform operators may incur liabilities akin to "partial joint and several liabilities" when they fail to meet their security obligations or properly audit operators on their platforms, leading to consumer harm [17]. These precedents underscore the adaptability and fairness of proportional liabilities in addressing complex legal disputes across various domains. Applying these principles to securities law, especially concerning securities intermediaries, enhances the legal framework's responsiveness to varied degrees of fault and involvement.

### 5. Conclusion

This paper has analyzed the civil liability system for securities intermediaries concerning false statements. By examining the current legal framework and judicial practices, several issues have been identified in how civil liabilities are assigned to securities intermediaries for false statements: First, there is a lack of uniformity in judgment standards; second, the existing statutes prescribe joint and several liabilities in a generalized manner without adequately distinguishing based on the specificities of each case; third, the imposed civil liabilities on intermediary agencies are disproportionately severe for false statements.

Addressing these issues, this paper recommends future directions for refining the legal approach. It advocates for a differentiation of civil liability types based on the severity of faults, adhering to the principle of "fault and liability equal." Specifically, it proposes the application of proportional joint liability for cases of general and minor negligence, illustrating the practicality and fairness of such an approach.

Due to the short implementation time of the new "Certain Provisions on False Statements", there are fewer cases of securities false statement intermediaries bearing civil liability. With the increase of practical application, there may be more issues worthy of our attention and discussion about the civil liability of securities false statement intermediaries. Nevertheless, it is expected that as



legislative techniques improve and judicial processes deepen, regulations concerning the civil liabilities of securities intermediaries will become clearer and more precise, contributing to a more mature and robust securities market.

## References

- [1] *Guangdong Higher People's Court (2020) Guangdong Minzhong No.1744 Civil Judgment*
- [2] *Xu Wenming: The Financial Logic of Judicial Judgment on False Statement in Bond Market under the Background of Registration System — Taking Wuyang Debt Representative Litigation as an Example*, securities market herald, No.5, 2021.
- [3] *Hangzhou Intermediate People's Court of Zhejiang Province (2019) Yue Min Zhong No.2080 Civil Judgment*
- [4] *Ren Xiaomin: Examination and Reform of Joint Liability of Misrepresentation Intermediaries*, No.6, Financial Law, 2022.
- [5] *Mónica Fuentes Naharro, Spain: Minority Investors' Protection in Spain: Civil Liability Remedies under Securities Law*, in *Global securities litigation and enforcement Attribution*, Pierre- Henri Conac& Martin Gelter ,eds., Cambridge University Press, 2019, p.624.
- [6] *See Zhicheng Wang: Legal Risks and Legal Liabilities in the Preparation of Corporate Financial Reports*, published in *Monthly Journal of Civil and Commercial Law*, No.59, p.102.
- [7] *Xing Huiqiang: Allocation of Legal Responsibilities of Securities Intermediaries*, China Social Sciences, No.5, 2022.
- [8] *Weng Xiaojian: Research on Civil Liability for False Statements in Securities — Reflection and Reference of American Securities Law Experience*, Shanghai Academy of Social Sciences Press, 2011, p. 84.
- [9] *Wang Qi: The Institutional Mechanism of Civil Liability for False Statements of Verification Institutions — Taking the Realization of Deterrence Function as the Logical Axis*, The Jurist, No.1, 2023, pp. 100-114.
- [10] [Japan] *Kawai Kenji: Research on Modern Tort Law*, Japan Review Society, 1978, p. 220.
- [11] [Japan] *Hamakami Zexiong: Theory of Partial Causality: Theory of Partial Causality in Damage Compensation Law*, Journal of Civil and Commercial Law (Volume 66, No.4), 1972, p. 544.
- [12] *Editor-in-Chief of the Leading Group for the Implementation of the Supreme People's Court Civil Code: Understanding and Application of Tort Liability in People's Republic of China (PRC) Civil Code*, People's Court Press, 2020, p. 51.
- [13] *Ye Mingyi: The Construction of Gross Negligence Theory*, Law Research, No.6, 2009.
- [14] *Yang Lixin, Tao Ying: On Respective Torts*, Jinyang Journal, No.1, 2014, p. 110.
- [15] *Yang Lixin, Revision and Perfection of Tort Liability Rules in Civil Code*, Journal of National Prosecutor College, No.4, 2020, pp. 47-48.
- [16] *Article 3, paragraph 3 of Interpretation of the Supreme People's Court on Several Issues Concerning the Application of Laws in the Trial of Environmental Tort Liability Disputes (Fa Shi [2020] No.17).*
- [17] *Civil Judgment of Yingkou Intermediate People's Court, Liaoning Province (2020) Liao 08 Min Zhong No.1939*