Research on the Theory and Practice of Residence Right System in Civil Code from the Perspective of Interpretive Theory

Jiaoyan Liu

School of Law, Guizhou University, Guiyang, Guizhou, 550025, China

Abstract: The system of right of habitation is added in the real right part of the Civil Code, and new regulations on the right of habitation are made in the form of a special chapter in Chapter 14. The fresh coming out of this system has also brought scholars to its value function, the purpose of norms and system deficiencies of analysis and demonstration. Scholars put forward the shortcomings of the existing law of residence right system in civil Code from various aspects, and therefore put forward some relevant suggestions for improvement. In view of the background of the civil Code, it is not an appropriate and operable way to discuss the improvement of legislation, so it is of little significance. Therefore, from the perspective of interpretive theory, this paper analyzes the application of a series of legal interpretations after the existing right of residence has been codified. Under explained from the theory Angle of view to the residency series problems in the running process, enhance the initiative of the judicial referee and play to the guiding case of leading role of rule of law, the residency rules of judicial judgment logic clue at the same time, under the existing legal framework, for the right to create a better space for development and legal environment, also as "old according to seek a more convenient way of security.

Keywords: Residency, Judicial application, Explain theory, Specification of contract compilation, Specification of property rights

1. Introduction

The so-called right of habitation is the right to occupy and use other people's housing and its accessory facilities for the purpose of living. On May 28, 2020, the thirteenth session of the third session of the National People's Congress examined and approved the civil code of the People's Republic of China (hereinafter referred to as the "civil code"), "civil code" compiling a new residency real right system, and discussed in chapter 14 for residency in the form of the new rules, responded to the era of "living to" demand. This new system carries out the spirit of China's policy of accelerating the establishment of multi-subject supply and multi-channel housing security, responds to the real needs of housing system reform, and has important practical significance for improving the usufructuary right system and optimizing the current housing system. Before the promulgation of the Civil Code, the academic circle fully demonstrated the functional orientation and normative types of the right of habitation from the perspective of legislation theory. The right of residence has the dual functions of sociality and investment, from alleviating the housing plight of the house buyers who cannot afford it to enriching the financing and property utilization means of the house owners [1]. Although some consensus has been formed, there is still room for reflection and discussion in the differences. In view of the background of the introduction of civil Code, this paper no longer analyzes the articles on the demonstration of residence right system from the perspective of legislation theory. In the codification era, it is necessary to accelerate the emergence of legal interpretation theory in the post-codification era. In essence, the process of adjudication involves the promotion of "from norm to individual case justice". In view of this, this paper, from the perspective of interpretative theory, combined with China's current housing and land legislation and related policies, conducts in-depth research and discussion on the object of housing right of residence of different types and different functions, in order to provide ideas and schemes for its legal application.

2. The plight of judicial application of residence right under the background of Civil Code

2.1. The implementation of housing with right of habitation in the Civil Code and its solution

Some scholars point out that the confirmation of the right of habitation in the civil Code makes the
types of housing rights more diversified and the content more specific, but at the same time the implementation of housing-related issues also becomes more complicated [2].

Theoretically speaking, the author agrees with this point of view, because the property right attribute of the right of habitation endows it with natural antagonism to the world. Although the registration requirements established by the right can provide a solution to the conflict of the rights of the house itself, there is a lack of reference standards for the implementation of the non-house as the object of litigation. However, the restriction on the transfer of the right of habitation due to the antagonism of the right of habitation and the restriction on the transfer of the right of habitation by the servitude of the traditional theory will lead to the imperfection of the right attached to the house which can not be removed and the execution procedure will fall into a rigid dilemma. However, the implementation period of Civil Code is short, and the number of cases related to the right of residence is small, so there is no feasibility analysis. Therefore, the problems related to the implementation of the right of residence housing are open to discussion, and racking our thoughts on how to solve them is a little precautionary. For this problem, if the establishment of the right of residence takes effect before the time when the court seals the house, the person of the right of residence can exclude the execution according to the effective right of residence; otherwise, the person of the right of residence cannot oppose the execution of the court.

2.2. Residency in bankruptcy proceedings

The right of residence will have an important impact on civil and commercial legal activities, and the bankruptcy procedure is no exception: first, the value of the property with the right of residence set in the bankruptcy property will be degraded and the liquidity will be reduced; Second, it may become the cover of fraudulent bankruptcy and individual liquidation, leading to further loss of debtor's property; Third, it will cause low efficiency and high consumption in the process of creditor's property collection to a certain extent. Fourth, it may cause moral hazard. Therefore, the issue of residence right in the bankruptcy process may become an obstacle to the preservation and appreciation of the debtor's property, reducing the proportion of creditor's rights repayment and negatively affecting the success of restructuring or reconciliation. In the long run, the residency issue will also become a significant loophole in the bankruptcy system, which is not conducive to the continuous optimization of the business environment [3].

Based on this problem, the author thinks that the investigation of the contract of right of residence is the premise of dealing with the problem of right of residence, mainly investigating whether the contract of right of residence is legal, whether it has been registered, whether it is a double-business contract, whether the contract of right of residence has agreed on termination conditions, whether there are legal termination conditions and so on. If the contract of occupancy is presumed to be invalid or has lapsed, the property interest can be recovered directly. If the residency contract is a dual contract and has not been performed or completed, the receiver may exercise the right to terminate the contract pending performance. The establishment time of residence right one year before, within a year or within half a year will directly affect the exercise of the cancellation right and the fraudulent bankruptcy invalidity system in the bankruptcy procedure. The duration of the right of residence is 1 year, 5 years, 10 years or life. In addition to the vital interests of the right of residence, it also directly affects the debtor's property valuation and the difficulty of the bankruptcy administrator to negotiate with the right of residence.

3. The normative system of residence right system in Civil Code

3.1. Contract compilation specifications for the residence right system

3.1.1. Form of contract

Article 367 of the Civil Code stipulates that the establishment of residence right shall be in written form. For this, two problems arise in understanding and application: one is whether the adoption of written form affects the validity of the contract of residence right? Second, whether to conclude a special residence right contract? This should be analyzed according to the understanding and application of residence right system from the perspective of Civil Code. First of all, the establishment of the contract in China adopts arbitrary norms, which can be excluded from application through the agreement of the parties and is the product of the freedom of contract. From the perspective of our legislative and judicial trends, China gives the parties extensive freedom to choose the contract mode based on respecting their autonomy of will and freedom of contract. The interpretation and application of any legal norms are inseparable from the legislative purpose. From the perspective of the value orientation of protecting the
right of residence, whether to adopt a written form and whether to sign a special right of residence contract are not of great significance, which will not affect the establishment of the right of residence and the validity of the contract [4].

3.1.2. The body of the contract

Concerning this issue, scholars discuss whether the subject of the right of habitation applies to natural persons or can be used for other purposes. In the system of property law, the right of habitation belongs to usufructuary right, and it is also a kind of human right. It was agreed that the right of residence could only be granted to natural persons and not to legal persons and other organizations. This is also determined by the purpose of the establishment of the right of residence. Compared with other usufructuary rights, the right of habitation is to meet the needs of the specific right holder’s living and living, and has strong property of personal attachment. Therefore, the right of habitation can only be enjoyed by a specific person and cannot be transferred or inherited. However, a resident may bring a family member to live and use the residence, because the use of the residence by the family member is often one of the ways to meet the needs of the resident. At the same time, also need to pay attention to the "civil code" to set up the people who live where the ownership of the house of the main body of the provisions of the scope is not limited to natural person, because of the civil code article 373, paragraph 2 (1 clear residency contract shall include the name or the domicile of the parties "means to set up the people not only apply to the specific natural person, it may also include legal persons and other organizations.

3.1.3. Whether the right of residence is established free of charge

Article 368 of the Civil Code stipulates that the establishment of residence right is free of charge, and it is clear that the application of this provision can be excluded through the agreement of the parties concerned. The legislature also interpreted the right of residence as free in principle. However, some scholars believe that the right of residence established without compensation is a kind of “disposal of property rights and interests without compensation” in legal theory, which may have adverse effects on the realization of creditors’ claims [5]. This paper agrees that the right of residence can be established free of charge, and the parties concerned can also agree on compensation. Neither way will affect the establishment of the right of residence. The reason lies in the special emotional and kinship relationship between the occupant and the owner, which is the distinctive feature of the right of habitation as the traditional human servitude, so it is usually free. For some cases, the parties choose to set up residency, paid contract effectiveness problem, on the civil code should also consider the nature of article 368 is a facultative, fully respect the autonomy of the parties, paid to set up the right lawfully confirmed the effectiveness of the contract, to further promote the construction of the housing of the multi-agent supply system.

3.2. On the system of right of habitation property rights

3.2.1. Registration of residence right

After the provisional Regulations on Real Estate Registration came into effect on March 1, 2015, a unified registration system was implemented for real estate. Residency as the civil code of new property rights, and shall be based on article 209, article 214 of the "law of the people" and "provisional regulations on real estate registration stipulated in article 5, in a unified real estate registration authority records recorded in the realty register, residency of the establishment, change and eliminate can have real right effect only after registration. Home buyers should check the real estate registration of the houses involved in the transaction.

3.2.2. On the term of tenure

The special chapter on the right of habitation does not stipulate the duration of the right of habitation, which can be agreed between the owner and the owner of the right of habitation or determined by the owner through his will. The right of residence is usually a long-term right, for example, which can be set up for the lifetime of the resident. At the time of registration with the registration authority, the party concerned shall indicate the term of the right of habitation. If the term of registration with the registration authority is inconsistent with the term stipulated in the contract, the registration content shall prevail. Where there is neither agreement nor registration, the period of the right of residence shall be regarded as the lifetime of the right of residence, so as to ensure that the needs of long-term stable residence of the right of residence can be met.
3.2.3. Protection of real right of habitation

As for the protection of real right of habitant, the third chapter of real right of civil Code stipulates the protection of real right. One of, because of the attribution of right of residence between building droit person and right of residence or the third person, content produces dispute, right of residence person can confirm with request its enjoy right of residence. Second, when the ownership of the house with the right of residence is transferred or inherited, according to the provisions of Article 326 of the Civil Code, the owner shall not interfere with the exercise of the right of usufructuary, nor shall the buyer or heir affect the realization of the living needs of the right of residence. Third, if the house owner establishes easement or other usufructuary right on the house already established, it shall not prevent the house owner from living and using the house. Fourth, when the mortgagee realizes the mortgage right through auction, selling off or discount the house that has established the right of residence, the assignee shall not interfere with the living use of the right of residence. Fifth, in the trial practice, if the house with the right of habitation is sealed up because the owner pays off the creditor's right to the third party, the owner of the right of habitation may raise an objection to the exclusion of execution. Sixth, when the house is expropriated, requisitioned or forcibly demolished, the owner of the right of residence may independently exercise the right of compensation or compensation, claim the right of residence instead of the house, or obtain compensation or compensation in proportion to the compensation or compensation for the original house.

3.2.4. Establishment of residence right by testamentary succession

Effective registration or disposal registration. The legal effect of the right of residence registration is also quite controversial in the academic circle. The focus is on the legal effect of the right of residence registration when the right of residence is established by testamentary succession. The Leading group for the Consistent Implementation of the Civil Code of the Supreme People's Court holds that article 368 of the Civil Code does not apply to the establishment of the right of residence by testament succession and denies the validity of the right of residence registration. However, the Professional Committee of Civil Trial Theory of The Chinese Society of Judicial Theory believes that if the right of residence is established by testamentary succession, the right of residence that has not been registered does not have legal effect, and advocates that the right of residence registration has the effect of registration, so the testamentary successor that has not been registered cannot obtain the right of residence.

This paper argues that the right of habitation is not applicable to the hierarchy of validity and antagonism. The reason is that China's legislation is applicable to the declaration of inheritance, but according to the provisions of article 230 of the Civil Code on "property acquired by inheritance, effective from the beginning of the inheritance", if the right of residence is established by testator succession, the testator inheritors will acquire the right of residence at the beginning of testator succession. The right of residence established by testamentary succession is a change of real right caused by non-legal act, which can be established without registration. The legal effect of the testamentary successor obtaining the right of residence of a specific residence will occur when the decedent dies. At this point, the registration of the right of residence is "declared registration", which has the effect of registration and punishment. The right of residence without registration has no effect of publicity and credibility, and can not fight against the third party in good faith. However, since the right of residence is personal and cannot be transferred or inherited, there is no case where the right of residence is registered and disposed of. In addition, the legislation has not made it clear that those who obtain the right of residence by testamentary succession must register. In this case, if the testamentary successor who obtains the right of residence through testamentary succession fails to register the right of residence, the owner of the house sells the house to others, or the owner of the house cannot resist the bona fide assignee due to the lack of registration of the right of residence, the right of residence of the owner cannot be guaranteed. Real problem, however, is that right is usufructuary right, establish residency in testamentary succession way, the real right change caused by legal action, from the real right theory into effect shall not apply to the registration or registration against socialism, so set up residency residency in testamentary succession way said effect "theory for the registration of real property registration.

3.3. The object of the right of habitation

The object of legal right of habitation is definite as far as the intentional right of habitation is concerned, because according to article 367 of civil Code, the right of habitation is established in the form of contract between the parties, and the "location of residence" needs to be indicated. However, in the case of legal right of residence, there may be multiple objects that meet the conditions of legal right of residence because there is usually no agreement between the parties. In this case, how should the
people's court determine the object of the legal right of residence? For the determination of the object of the legal right of residence, we believe that the following factors should be fully considered: First, the continuity of the life and residence of the right of residence should be maintained as far as possible. The purpose of the establishment of legal residence right is to protect the residential interests of vulnerable groups, and such residential interests are likely to have been enjoyed by the holder before the emergence of legal residence right. In this case, the establishment of legal residence right should be aimed at maintaining the continuity of the residential interests. Secondly, the economic interests of the owner should be taken into account based on the free property of legal residence right. Thirdly, the object of the right of residence can be determined through consultation between the right of residence and the right of house ownership [6].

3.3.1. A residence in which you can obtain residency

First, for ordinary commercial residential housing, of course, the stock of housing can set up the right of residence, this is no doubt, but the question is why the pre-sale commercial housing can set up the right of residence? Some people think that the right of habitation does not have the nature of expected property right, and the house that can be set right of habitation should be a real thing, not a construction project that has not yet been completed [7].

The author disagrees with this view. The constraining of "meeting the needs of living" is interpreted as the fact that it is difficult to effectively respond to the problems in social practice. For example, when a residential owner transfers his or her own house, he or she still wants to live in the house after the transfer of ownership. Such living demand is not realistic but reasonable expectation, and it is a legitimate demand, which should be protected. Third, although the pre-sale commercial housing under construction is not a realistic thing, but the buyer in the agreement after the completion of the housing ownership of others, want to be built in the future to retain the housing needs, is also reasonable.

Second, business apartment, service apartment and serviced apartment. Those who deny it argue that the registration agency cannot recognize a house with residential function such as serviced apartment as a house and cannot establish residence right [8]. The affirmative advocates believe that the use of commercial apartment itself has two possibilities, commercial and residential, can directly establish residence right on it [9]. In the author's opinion, although these apartments are not positioned as residential in the planning approval, they do have the residential function, and when the policy permits and meets the requirements for listing and transferring, they are qualified for the establishment of residence right. Therefore, through the interpretation of purpose and expansion, the commercial apartments, service apartments and serviced apartments that are allowed by the policy and are transferable for residential use should be recognized as the object of the right of residence, and should not be denied simply because they are not residential.

Third, the residence that has private authority to restrict. These existing leasehold, mortgage and right of habitation on the residence constitute a restriction on the ownership of the residence. Can the owner set the right of habitation for this kind of residence? As far as the mortgaged house is concerned, guangzhou Real Estate Registration Center holds that the right of habitation can be established if the house has been mortgaged, but the mortgagee shall be notified in advance and the consent of the mortgagee shall be obtained before the certification materials of the right of habitation registration can be handled.

3.3.2. Whether the right of residence can be established in respect of part of the residence

In view of this problem, there is controversy in the academic circle. Some scholars hold a negative attitude, thinking that this will violate the specific principle of the object of real right, thus shaking the foundation of the property law. Most scholars hold a positive attitude, but the reasons are not consistent: some scholars believe that there are always exceptions to the principle, and setting the right of habitation on a part of the house is a breakthrough of the specific principle of the object of real right, and there is nothing wrong. The author thinks that the basic principle of property law is the value judgment criterion running through the property right system, which is the most basic code of conduct. If we break through it easily, the property law system will be destroyed. When a new legal situation appears, the first thing we should do is to trace its principle in the legal system, rather than directly ascribe it to the exception of the law. Therefore, the interpretation given by scholars who hold negative attitudes is not satisfactory. In addition, different from one part of the residence, the proprietary part of the building distinction ownership is corresponding to the common part of the owners in the same building. The purpose and direction of the right of the two are different, and it is suspected to measure part of the residence can be set up as a standard. The author thinks that the establishment of the right of habitation on part of the house can improve the efficiency of the use of the house, and does not violate the specific principle of
the object of real right. The object principle of real right is also called the principle of one thing one right. "One thing" means that the object should be a complete independent thing, and "one right" means that only one ownership right can exist on one thing and two or more incompatible other property right cannot exist on one thing simultaneously.

As for "one thing", it should be considered that the right of habitation established on part of the house is actually a burden imposed on the whole house, but the object scope of each occupant should be explained in the registration of the right of habitation. About "one right", the right of habitation is usufructuary right, and the right content of building leasehold is roughly the same, enjoy the same right to same house from many tenant can infer, the right of many habitant right person above same house can also be compatible.

3.3.3. Whether the accessory facilities can become the object of the right of habitation

The so-called accessory facilities refer to the facilities needed to maintain the integrity of the use of the house, which are usually difficult to separate from the house and cannot be calculated separately, such as yard, parking space, water well, etc. Some scholars believe that household appliances, daily furniture and vehicles are also ancillary facilities of the house. The author thinks both cannot be confused, the thing such as electric appliance, furniture, vehicle belongs to be independent, its oneself have use value, and accessory establishment needs use ability to develop value with residential form a complete set. The Civil Code of China expresses the object of the right of habitation as "residence", and does not mention the accessory facilities. However, both the legislative examples and the Property Law (Draft) of China in 2005 indicate that the accessory facilities can become the object of the right of habitation. Some scholars believe that the accessory facilities of a house are the facilities and equipment attached to a residential building to meet the needs of living and living. If the accessory facilities are necessary to meet the needs of living and living, the right of habitation on the house certainly extends to the accessory facilities [10].

4. Loopholes in the contract of residence right and the application of analogy

Some scholars believe that there are serious deficiencies in the norms of residence right contracts in the Civil Code, and there are a large number of legal loopholes. The analogy should be applied by referring to the relevant norms of lease contracts, involving a series of issues such as the allocation of repair obligations of different nature and their costs, and whether the alternative punishment can not break the lease.

4.1. Obligations of the right of residence

4.1.1. Reasonable usufruct and maintenance obligations

Article 367 of the Civil Code requires that "conditions and requirements of residence" should be stipulated in the contract of residence right, which implies the burden agreement and legal obligation of reasonable usuality. The owner of the right of residence shall use the house in accordance with the agreed conditions and requirements, and shall not be liable for the natural wear and tear depreciation of the house (Art. 709 to Art. 710 of the Civil Code). If the owner changes the main body and load-bearing structure of the building or expands the building without authorization and still fails to restore the building to its original state within a reasonable time limit required by the owner, the owner may terminate the contract of the right of residence and claim compensation for losses (Article 711 of the Civil Code and Article 7 of the Interpretation of Urban House Lease Contract). During the term of the right of residence, if it is agreed that the house can be rented, the income obtained shall belong to the right of residence, except otherwise agreed by the parties (Article 720 of the Civil Code). The owner of the right of residence shall properly maintain the house and its affiliated facilities, and shall be liable for compensation if the house and its affiliated facilities are damaged or lost due to improper maintenance (Article 714 of the Civil Code). In the usufruct process, the occupant shall bear the duty of care of the kind manager and the legal guarantee liability. If the house is damaged or lost due to the behavior of the co-resident or lessee, the occupant shall also bear the compensation liability to the owner.

4.1.2. Allocation of repair obligations of different nature

The burden of repair is one of the major differences between the right of habitation and the right of lease. In view of the leasehold right is not a long-term stable right, if the lessee bears the maintenance cost of the house, once the lease contract terminates, the maintenance cost paid may be difficult to recover,
which unduly increases the burden of the lessee [11]. Therefore, in the lease contract, the maintenance cost of the leased property shall be borne by the lessor. However, in the contract of right of residence, the occupant actually controls the house and its affiliated facilities, so it is not only more convenient to bear the necessary expenses such as daily improvement, repair, maintenance and property management, but also can effectively promote the occupant to take reasonable advantage and actively maintain the house in good condition. On the contrary, the major maintenance beyond the routine maintenance is usually aimed at keeping the house from being damaged or lost, and involves the preservation of the house ownership. As the biggest beneficiary, the owner should bear the major maintenance costs [12].

4.2. The obligations of the house owner

As a usufructuary right owner, Have the right to claim a series of real right claims such as return of the original object, elimination of obstruction and elimination of danger. There is no obligation for the owner to do so.

4.3. Involving a third party

4.3.1. The tenant rents the premises

The presumption rule established in article 369 of the Civil Code of The People's Republic of China is that leasing is not allowed, which leads to the emergence of two types of leasing with the consent of the owner and leasing without consent, which correspond to the leasing contract with the consent of the lessor and subleasing without consent. In the first case, the letting of premises without the consent of the owner constitutes a breach of the statutory obligation under section 369. Between the owner and the occupant, the owner has the right to terminate the contract of residence right and claim the liability for breach of contract against the occupant. Between the occupant and the tenant, based on the relativity of the contract, the lease contract is still valid, but cannot be performed, and the tenant who is not aware of it has the right to claim the liability for breach of contract against the occupant. Between droit person and tenant, the right of tenant rent cannot antagonize droit person, already when holding a building, droit person must request to return directly. The 2nd kind of circumstance, habitant right person agrees to rent a building via droit person, the form that agrees includes both sides to agree already, also include droit person beforehand unilateral agree and after the event ratify. Where the owner knows or should know about the lease, but does not raise any objection within 6 months, the owner shall be deemed to have agreed to the lease. Where the lessee causes losses to the house, the owner of the right of habitation shall compensate for the losses.

4.3.2. The right of habitation and disposal are not broken lease

After the addition of the right of residence in the Civil Code, is it still necessary to reserve the right of lease? Some scholars believe that the answer depends on the object and scope of application of the right of habitation. If the right of habitation is limited to the houses that meet the living needs, it cannot cover the housing rental market of shops, factories and other non-living needs, and there is still room for the system of unbroken punishment. If the right of habitation is essentially extended to a usufruct that can be established on all buildings, which can be freely transferred and inherited, and has the world effect that the leasehold tries to obtain through the property right transformation, then the function of the lease is overlapping with that of the disposal, and the pure effect of the debt law can be retained. According to their own needs and market prices and other factors, the parties choose the right of habitation plan with the validity of the world or the relative validity of the leasehold plan. At present, the object of the right of habitation in the Civil Code cannot cover all the real estate leasing market, so it is still necessary to reserve the right of habitation.

References


