

CHINESE EQUESTRIANISM A LEAP FORWARD!

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MR. LUC SCHELSTRAETE AND MR. PIOTR WAWRZYNIAK OF EUROPEAN-US ASIAN EQUINE LAWYERS ATTENDED THE FIRST SINO-EUROPEAN EXCHANGE SEMINAR ON EQUINE INDUSTRY THAT WAS ORGANIZED ON 28 APRIL 2016 IN SHANGHAI, CHINA AND IN OUR CONTINUING SERIES ON EQUINE LEGAL TOPICS THEY REPORT ON THE OUTCOME OF THIS SEMINAR AND THE STATE OF EQUESTRIAN SPORT IN THE PEOPLE'S REPUBLIC OF CHINA.

The first Sino-European Exchange Seminar on equine industry was organized parallel to and under the auspices of the Longines Global Champions Tour. The seminar aimed to introduce top-level experts and experience in the equestrian industry from Europe through international equestrian events so as to establish a platform of exchange and interaction. The seminar gathered many interesting speakers and was titled "Leaping Forward", a title that is very applicable to what China has manifested in various fields in recent decades. The Chinese wish to learn from the experiences of the well-established equine nations in Europe, such as the Dutch and the Germans, among others. The seminar was organized by Cross China New Media (Beijing) Co. Ltd and hosted by Shanghai Juss Event Management Co. Ltd known for organizing of the Formula 1 UBS Chinese Grand Prix and the Global Champions Tour in Shanghai, among other events.

The seminar showed the growing interest of the Chinese in the equine business and sport. Equestrianism has been developing very fast in the recent years in China. China reported recently a growth of 30 percent in importing sport horses into China and this growth aims to continue. Jockey clubs are being established in many cities across the mainland China. This growing interest in horse sport is illustrated by the immense popularity and publicity that was given to the Global Champions Tour in Shanghai. Literally, the whole city of Shanghai was exposed to the event prior to

the weekend on which the GCT event took place through the media. The GCT event was held at the beautiful venue of China Art Museum, one of the landmarks of Shanghai, and was attended by many visitors from all over China. Equestrianism is associated with luxury lifestyle in China which explains why one of the co-sponsors of the Longines Global Champions Tour in Shanghai was Noblesse, the leading luxury lifestyle magazine in China.

The seminar began with an explanation of the Chinese entry and exit policies and the quarantine of sport horses in China that was given by Mr. Liu Jinlong, deputy director of animal and plant quarantine division of the General Administration of Quality, Supervision, Inspection and Quarantine of the People's Republic of China. In this respect it should be noted that the GCT event is very unique for China. The cooperation between the Chinese authorities and the GCT led to creating a special quarantine zone in Shanghai where the horses competing in the GCT were stalled and where any risks related to contacts with the local horse population were prevented.

This measure allowed the horses to enter mainland China prior to the GCT event and to leave directly after the competition so that they could travel onwards to other GCT events held in other places all over the world.

Summarizing the presentations of Mr. Yao Congbin, the official veterinarian of the GCT event in Shanghai, and Mr. Sin Bin, Deputy



Director of Shanghai Animal Husbandry and Veterinary Office, it can be fairly stated that the cooperation between the organization of the event and the Chinese authorities is one of the key factors in the success of the GCT event in Shanghai. Later in the programme, Mr. Martin Atock of Peden Bloodstock explained the complicated logistic process behind the organization of the GCT events around the world and various factors (such as, time zones, veterinary rules and schedules, etc.) that must be taken into account to ensure that the horses are delivered to the venues of the GCT timely and in top condition in order to compete.

In his speech Mr. Jan Tops, the founding father of the GCT, inspired the conference attendees with his presentation about the basis of the equestrian sport in Europe. Mr. Tops in his speech underlined the importance of a good infrastructure and starting development from the very basics. According to Mr. Tops the importance of the local pony clubs and riding schools (as known in continental Europe, more specifically in the Netherlands and Germany) should not be underestimated. Developing the interest for the sport among children, letting them enjoy themselves and have fun while riding horses is crucial to achieve later success in the sport. Hard work, dedication and discipline are important factors for a later equestrian career. Mr. Tops also underlined the gender equality of the equine sport. Indeed, equestrian sport is one of the few that lets men and women directly compete in the same classes.

In our presentation we set out the risk management of doing equine business in Europe discussing trade-related issues such as pre-purchase examination, commission, the position of the trainer, disclosure of the seller and the conclusion of the purchase agreement. It must be noted in this respect that due to cultural and legal differences it may be sometimes quite difficult for the Chinese to understand the equine business as practiced in Europe. At the moment as far as sport horses are concerned, Europe remains the main exporter of them to China. Additionally, the Chinese veterinary regulations make it, in many cases, – according to the Chinese attendees of the seminar – very difficult, if not impossible, upon the sale of a horse from Europe to return horses back to Europe in the event of any defect or non-conformity of the horse in question. Mr. Luc Schelstraete pointed out in his presentation that a possible solution for such a legal and factual problem could be, for instance, a claim aiming for the reduction of the purchase price or claiming damages, in addition to the annulment of the purchase agreement. These remedies are also available for a buyer under the European continental laws. Furthermore, Mr. Luc Schelstraete pointed out in his presentation that it might be worth considering for the Chinese owners and investors to incorporate a company in Europe in order not

only to mitigate the reported problems but also to have the horses bred, stabled, trained and competed in Europe. In this respect also the incorporation process of a legal entity and the VAT related issues were discussed.

Mr. Huang Zuping, the former coach of the national team and a competitor in the 2008 Olympic Games together Mr. Chang Wei, former Secretary General of the Chinese Equestrian Association, explained the current standing of equestrian sport in China and underlined the need for creating a solid basis for the further development of the sport in China in order to allow Chinese riders to compete successfully at the very top level in international events. In this respect China needs to sustain the growth, to invest in riding schools and clubs, and to attract know-how by, for instance, increasing the number of European trainers and/or by sending Chinese riders for education in Europe.

The seminar ended with a Q&A session in which Mr. Fred van Lierop, the GCT event director, Mr. Chang Wei, Mr. Huang Zuping and Mr. Luc Schelstraete answered various questions of the attendees and discussed their experiences in the business.

In conclusion, China is making a leap forward in the equestrian business and sport. With new jockey clubs, new venues and equestrian events across the country it is only a matter of time before China will belong in the top tier of the equestrian nations worldwide. The seminar is to be followed by the second edition next year during the GCT event and we are looking forward to learning how much progress China will have made this next year.



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