

FamilyMart China Holding Co Ltd (Respondent) v Ting Chuan (Cayman Islands) Holding Corporation (Appellant) (Cayman Islands)

Case ID: JCPC 2020/0055

Jurisdiction: Court of Appeal of the Cayman Islands

Case summary

Issue

Is any part of a petition to wind up a company on just and equitable grounds susceptible to arbitration?

Facts

China CVS (Cayman Islands) Holding Corp (the "**Company**") is a Cayman Islands company which operates a convenience store business in the People's Republic of China under the "FamilyMart" brand. The appellant ("Ting Chuan") owns 59.65% of the shares in the Company and the respondent ("FMCH") owns the remaining 40.35%.

The relationship between Ting Chuan and FMCH is governed by a shareholders' agreement. This agreement is governed by the laws of the Cayman Islands but contains an agreement that any disputes in connection with or arising out of the agreement shall be submitted to arbitration.

On 12 October 2018 FMCH presented a petition in the Grand Court of the Cayman Islands to wind up the Company on the just and equitable ground under the Companies Act (2018 Revision). This was based on alleged misconduct by Ting Chuan in connection with the management of the Company. Ting Chuan applied to strike out or stay the petition on the basis that the underlying disputes between the shareholders should be resolved by arbitration.

The Grand Court of the Cayman Islands struck out certain elements of FMCH's petition and granted a stay of the remainder until the underlying matters had been arbitrated. The Court of Appeal overturned this decision on the basis that no part of the winding up petition was susceptible to arbitration. Ting Chuan now appeals to the Judicial Committee of the Privy Council in respect of the dismissal of its application for a stay of the petition.

Parties

Appellant(s)

Ting Chuan (Cayman Islands) Holding Corporation

Respondent(s)

FamilyMart China Holding Co Ltd

Appeal

Justices

Lord Reed, Lord Hodge, Lord Lloyd-Jones, Lord Briggs, Lord Kitchin

Hearing start date

15 November 2022

Hearing finish date

16 November 2022

Watch hearing

This case was heard at the Cayman Island Halls of Justice, Georgetown, Cayman Islands as part of the Judicial Committee of the Privy Council's [visit to the Cayman Islands](#) in November 2022. The recording from the hearing is available on the Cayman Islands Government [YouTube channel](#) (external link).

Judgment details

Judgment date

20 September 2023

Neutral citation

[2023] UKPC 33