

[View this email in your browser](#)


## A&Z Monthly Newsletter

June 2021

### Passion - Professionalism - Collaboration

Dear Friends,

This is a monthly newsletter focusing on legal matters in China, and related issues that shape the general business environment for foreign companies operating in China.

Should you have any comments or questions, please do not hesitate to contact Ms. Anna Lukina, BD & Marketing Director at [alukina@a-zlf.com.cn](mailto:alukina@a-zlf.com.cn) visit the [A&Z website](#).

Sincerely,  
The Editors

### Legal Updates

**The General Administration of Customs issued a public notice on adjusting the catalogue of import and export commodities that must be inspected Read More**

On June 1st, the General Administration of Customs issued the public notice No.39 of 2021 on adjusting the catalogue of import and export commodities that must be inspected. The public notice has been implemented since June 10, 2021.

The public notice clarified that 234 10-digit HS codes involving mechanical and electrical products, metal materials, chemicals and artificial jewellery will be removed from the supervision condition "A", and the customs will no longer implement imported commodity inspections on related commodities. For imported recycled raw materials 8 10-digit HS codes are added with the supervision condition "A", and the customs implements import commodity inspection on related commodities. Lastly, 24 10-digit HS codes involving export billets and pig iron are added with the customs supervision condition "B", and the customs implements related commodities Export commodity inspection.

**The full content of the "Stamp Duty Law" has been published and will come into force in July 2022 Read More**

On June 10, the 29th meeting of the Standing Committee of the 13th National People's Congress passed the "Stamp Duty Law" and published its full content. Effective on July 1, 2022, the "Interim Regulations on Stamp Duty" shall be repealed at the same time.

Compared with the "Interim Regulations", the "Stamp Duty Law" has raised the securities transaction stamp duty requirement into the duty under a law, and the securities transaction stamp duty is levied on the transferor of the securities transaction instead of the transferee. The applicable tax rate remains unchanged, which is still one-thousandth of the transaction value. The tax rate for processing

### A&Z Future Events

July 28, online



Our Senior Consultant, Ms. Mireia Paulo will speak on iusTime's LinkedIn Live. The international law firm network organises this discussion in order to share the relevant information about each jurisdiction, legal updates and business news. The online discussion will be held in Spanish. [Read More](#)

### A&Z Past Events

June 1-3, Yangzhou

Our Principal Partner Ms. Sophie An went to Yangzhou as a council member of the Shanghai Public Diplomacy Association to communicate with the Yangzhou Public Diplomacy Association and learn about the World Historic and Cultural Canal Cities Cooperation Organization (WCCO). Ms. An expressed the willingness of the firm to contribute to the protection of the world's canals and cultural heritage, as well as actively participate in international exchange activities and strengthen exchanges and cooperation between cities across the canals.

June 2, Shanghai

contracts, construction, survey and design contracts, and cargo transportation contracts has been reduced from five ten-thousandths to three ten-thousandths. In terms of business account books, only the total amount of paid-in capital (share capital) and capital reserve is subject to a tax rate of 2.5 ten-thousandths, and stamp duty is no longer levied on rights and licenses.

#### **Hainan Free Trade Port Law: Fully implement a minimalist investment approval system [Read More](#)**

On June 10, the 29th meeting of the Standing Committee of the 13th National People's Congress voted to pass the "Hainan Free Trade Port Law", which will come into force on the date of promulgation.

The law clarifies that the state shall establish a Hainan Free Trade Port on the entire island of Hainan Island, and gradually establish a free trade port policy and system to achieve free trade, investment, cross-border capital flow, personnel entry and exit, transportation, and safe and orderly flow of data. This law applies to the construction and management activities of the Hainan Free Trade Port.

The law stipulates that the Hainan Free Trade Port implements investment liberalization and facilitation policies, fully implements a minimalist investment approval system, improves investment promotion and investment protection systems, strengthens property rights protection, guarantees fair competition, and creates an open, transparent, and predictable investment environment.

#### **Data Security Law: Convey Data Security and help the development of the digital economy [Read More](#)**

On June 10, the 29th meeting of the Standing Committee of the 13th National People's Congress passed the "Data Security Law", which will come into effect on September 1, 2021.

The "Data Security Law" focuses on hidden risks in the field of data security, strengthens the overall coordination of national data security work, and establishes basic systems such as data classification and hierarchical management, data security review, data security risk assessment, monitoring and early warning, and emergency response.

The "Data Security Law" states that important data processors should conduct regular risk assessments of their data processing activities in accordance with regulations and submit risk assessment reports to relevant competent authorities. The risk assessment report shall include the type and quantity of important data processed, the status of data processing activities, the data security risks faced and the countermeasures, etc.

#### **The State Council releases the 2021 legislative work plan [Read More](#)**

Recently, the State Council announced the State Council's 2021 Legislative Work Plan. This includes 18 legal bills to be submitted to the Standing Committee of the National People's Congress for deliberation, 28 administrative regulations to be formulated and revised, and 3 other legislative projects to be completed.

In order to promote the construction of ecological civilization, the legal bills to be submitted to the Standing Committee of the National People's Congress for deliberation include the draft of the Yellow River Protection Law. The administrative regulations to be formulated include the interim regulations on the management of carbon emissions trading. In addition, the draft energy law is prepared to be submitted to the Standing Committee of the National People's Congress for deliberation.

In order to promote a new improvement in the effectiveness of national governance, the legal bills to be submitted to the Standing Committee of the National People's Congress for deliberation include the Administrative Reconsideration Law Amendment Draft, Audit Law Amendment Draft, among others. Lastly, Administrative regulations to be formulated include Critical Information Infrastructure Security Protection Regulations, Data Security Management regulations, and more.

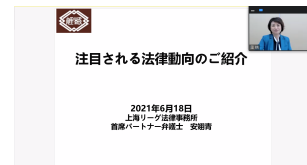
#### **The General Administration of Customs promulgated the "Regulations on the Procedures for Customs Handling of Administrative Penalty Cases" [Read More](#)**

Recently, the General Administration of Customs promulgated the "Regulations on the Procedures for Custom Handling of Administrative Penalty Cases." It is clear that customs administrative penalties are under the jurisdiction of the customs that discover the illegal act and can also be under the jurisdiction of the customs where the illegal act occurred. Cases in which two or more customs have



Our BD and Marketing Director, Ms. Anna Lukina, spoke about marketing on a panel of international law, insurance and finance professionals. The speakers discussed how these industries can create engaging brand stories and connect with their clients through effective marketing strategy. [Read More](#)

#### **June 18, Shanghai**



Our Principal Partner Ms. Sophie An and our consultant Mr. Onishi gave talks on the topic "The Growing Chinese Economy and the Changing Business Environment", by invitation of the Japan-China Economic Association. The content of the talks consisted of three parts: China's current situation including its international relations; future macroeconomic operations and China's foreign economic policy trends concerning the Sino-US frictions; trends in the legal system affecting companies entering the Chinese market.

The title of Mr. Onishi's talk was "The Current Situation of China's Economy and Counter-cyclical Strategies". Having extensive experience in researching the Chinese economy, Mr. Onishi focused on explaining China's current economic situation and future development trends. Finally, Ms. An delivered a talk by the title "Introduction to Trends in the Legal System of the Chinese Market" in which she introduced and explained the legal terms in simple language from the perspective of corporate concern.

#### **About A&Z Law Firm**

A&Z is a leading Chinese law firm, which employs over 50 experts composed of a team of professionals comprising attorneys, legal assistants, Japanese translators, client managers, and business specialists across 5 offices in 11 legal practices. Having been active in Shanghai since 2004, A&Z's presence was expanded through the establishment of offices in Beijing, Dalian, Wuhan, and Tokyo. A&Z focuses on advising multi-national groups, major corporations, banks, and SMEs on various legal issues relevant to their business endeavors.

A&Z's practices include Foreign Investment, Overseas Investment, Competition and Antitrust, Intellectual Property, M&A and Corporate

jurisdiction, the case shall be under the jurisdiction of the customs that filed the case first.

The regulations stipulate that if an enterprise splits, merges, or other assets are reorganized after it commits an illegal act, when it shall be fined, or its illegal gains or the equivalent value of the goods, articles, or smuggled transportation vehicles shall be confiscated, the legal person and organization who succeeds its rights and obligations shall be the person subject to enforcement.

The regulations will come into effect on July 15, 2021.

**[The revised securities market ban on entry will be implemented on July 19, 2021 Read More](#)**

The Securities Regulatory Commission issued a revised security market ban on entry regulations, which will be implemented on July 19.

The main contents of this revision include: 1. Clarification of the types of market bans, including identity bans and transaction bans; 2. Clarification of the applicable rules for transaction bans, and exception of seven types of situations; 3. Further clarification of the object and application of the market ban.

In accordance with the principle of prudence, the China Securities Regulatory Commission has only set an upper limit of five years for the prohibition of trading transactions to ensure a smooth start of the rules.

**[Shanghai will adjust the minimum wage standard from July 1st, 2021 Read More](#)**

On June 23, the Shanghai Municipal Bureau of Human Resources and Social Security announced that Shanghai will adjust the minimum wage standard from July 1, 2021. The monthly minimum wage was adjusted from 2,480 yuan to 2,590 yuan, an increase of 110 yuan; the hourly minimum wage was adjusted from 22 yuan to 23 yuan.

The monthly minimum wage standard applies to full-time employees. If the worker provides regular labour during the legal working hours or the working hours agreed in the labour contract signed in accordance with the law, the monthly wage paid by the employer shall not be lower than the monthly minimum wage standard.

**[The Shanghai National People's Congress voted to pass the resolution on the formulation of Pudong New Area laws and regulations Read More](#)**

On June 23, the 32nd meeting of the Standing Committee of the 15th Shanghai Municipal People's Congress passed the "Resolution of the Standing Committee of the Shanghai People's Congress on Strengthening the High-Level Reform and Opening-up of the Pudong New Area and the Establishment of Pudong New Area Regulations". The resolution will come into effect on June 23, 2021.

The resolution pointed out that the Standing Committee of the Shanghai Municipal People's Congress is based on the needs of Pudong's reform and innovation practice, and in accordance with the "Decision of the Standing Committee of the National People's Congress on Authorizing the Shanghai People's Congress and its Standing Committee to Formulate Pudong New Area Regulations", it will follow the constitutional provisions, and the basic principle of laws and regulations, to formulate Pudong New Area laws and regulations, which can make modifications to laws, regulations and departmental rules, and implement them in Pudong New Area.

## Industry News

**[Huawei launches new operating system for phones, eyes 'Internet-of-Things' market](#)**  
Reuters, June 3

**[China's smartphone shipments expected to grow 6 pct in 2021: report](#)**  
Xinhua, June 5

**[China's imports grow at fastest pace in decade as materials prices surge](#)**  
Reuters, June 7

**[China's economy improves, businesses back to normal: auditor general](#)**  
Xinhua, June 7

**[New Chinese semiconductor firms have tripled in 2021 as Beijing and Washington jockey over technological supremacy](#)**

Restructuring, Labour and Social Security, Dispute Resolution, Compliance and CSR, Finance and Capital Markets, Customs Logistics and Maritime Commerce, and Environment, Health and Safety (EHS).

The information contained in this Newsletter is for reference on matters of interest only, and is not intended to be comprehensive. Although we try to ensure accuracy, please note that the application and impact of laws can vary based on contextual and circumstantial variables. Before taking any action, please ensure that you obtain professional advice specific to your circumstances.

SCMP, June 9

**Digital economy thrives in China's western regions: report**

Xinhua, June 10

**Chinese brands increase presence on global playing field: report**

Xinhua, June 21

**Economic Watch: Airbus, AVIC jointly launch A320 fuselage equipping project in China**

Xinhua, June 22

**Economic Watch: China's industrial profits grow steadily as demand, business performance improve**

Xinhua, June 27

**China's largest battery maker CATL extends agreement with electric vehicle giant Tesla to 2025**

SCMP, June 28

There are numerous ways for you to keep up-to-date with legal updates, A&Z's practice, and valuable events.  
Visit our website: [www.A-ZLF.com.cn](http://www.A-ZLF.com.cn)

Scan the QR Code to subscribe to A&Z's WeChat account:  
ligeHello



A&Z's Labour and Compliance Department WeChat account:  
laodonghegui



A&Z values your privacy. A&Z will not sell or make available your email to any other third party without your express consent. Want to change how you receive these emails?

You can [update your preferences](#) or [unsubscribe from this list](#).

Copyright © 2021 | A&Z Law Firm, All rights reserved.