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里格律师事务所
A&Z LAW FIRM

A&Z Monthly Newsletter

May 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 visit the [A&Z website](#).

Sincerely,
The Editors

Legal Updates

[China National Intellectual Property Administration announces the Notice on Deepening the Reform of "Reform of Government Functions" in the Field of Intellectual Property to Optimize the Innovation Environment and Business Environment Read More](#)

On 11th May, China National Intellectual Property Administration announced the Notice on Deepening the Reform of "Reform of Government Functions" in the Field of Intellectual Property to Optimize the Innovation Environment and Business Environment. Sixteen specific requirements were put forward in six aspects, including continuous compression of the trademark and patent examination cycle, practical improvement of the quality of trademark and patent applications, and improvement of the effectiveness of public services for intellectual property.

The Notice requires that by the end of 2021, the average review cycle for trademark registration must be stabilized within 4 months, and the trademark registration cycle for general cases will be compressed from 8 months to 7 months; the review of 1.35 million invention patents will be completed in 2021, and the review cycle for invention patents will be compressed from 20 months to 18.5 months, of which the review cycle for high-value patents will be compressed to 13.8 months. The Notice also requires the strengthening of trademark and patent examination and supervision, and the promotion of the registration of trademarks not for the purpose of use in bad faith and abnormal patent applications, which is not for the purpose of protecting innovation into credit supervision.

[National Medical Products Administration announced the Release of the "Pharmacovigilance Quality Management Rules" Read More](#)

According to the requirements of the announcement, drug listing licensees and drug registration applicants should actively prepare for the implementation of the "Pharmacovigilance Quality Management Rules", establish and continuously

A&Z Past Events

14th May, Shanghai



Ms. Sophie An, Principal Partner at A&Z Law Firm, accepted the invitation of a large Japanese enterprise group to hold a seminar on corporate compliance and employee management for the enterprise's senior management and the employees in charge of human resources, legal affairs and compliance. This seminar was carried out in "online + offline" mode. More than 200 employees from the Shanghai headquarters and branches of the enterprise attended this seminar. The seminar consisted of two parts: corporate compliance, as well as employee management. In terms of corporate compliance, Ms. An focused on "what is compliance", "why do we need compliance" and "how to implement compliance", combined with recent cases, and provided advice to corporate managers on important issues such as misconduct, bribery, fraud, and how to prevent secrets from being leaked. Regarding the management of employees, Ms. An shared her views on how to make management decisions in the new era of the Civil Code by analyzing actual cases on how will be accountable for company managers in light of the current new epidemic and the impact of the newly implemented Civil Code. During the seminar, Ms. An actively communicated with the participants and answered their questions in detail. [Read More](#)

improve the pharmacovigilance system as required, and standardize pharmacovigilance activities. Licensees should complete the information registration in the national adverse drug reaction monitoring system within 60 days from the date of this announcement issued.

The Rules consists of 9 chapters and 134 articles, covering quality management, agency personnel and resources, monitoring and reporting, risk identification and assessment, risk control, pharmacovigilance during clinical trials, etc., and shall come into force on December 1, 2021. The Rules applies to the pharmacovigilance activities carried out by drug listing licensees and drug registration applicants approved to conduct drug clinical trials. Licensees and applicants should establish a pharmacovigilance system to monitor, identify, assess and control adverse drug reactions and other harmful reactions related to the use of drugs; should carry out pharmacovigilance activities based on drug safety features to minimize drug safety risks, protect and promote public health; should collaborate with medical institutions, drug manufacturers, drug operation companies, drug clinical trial institutions, etc. to carry out pharmacovigilance activities.

Supreme People's Court releases typical cases of administrative agreements for the first time [Read More](#)

On 11th May, the Supreme People's Court releases typical cases of administrative agreements for the first time. This release is the first batch, a total of ten cases, involving the implementation, change, cancellation, invalidation and other issues of the legal application of administrative agreements.

This batch of cases has three main characteristics: First, reflecting the diversity of administrative agreement cases. Second, reflecting the particularity of the trial concept of administrative agreement cases. Third, reflecting the special nature of the administrative agreement case trial rules. These typical cases have strong pertinence and guidance, and a positive guiding role in accelerating the transformation of government functions, and in creating a good business environment, supervision of administrations to exercise their powers in accordance with the law, strict performing commitments, and conscientiously performing the duties under the administrative agreements.

Ministry of Ecology and Environment releases three management rules for Carbon Emission Rights [Read More](#)

To further regulate the national carbon emission rights registration, trading and settlement activities and protect the legitimate rights and interests of all participants in the national carbon emission rights trading market, on May 17, the Ministry of Ecology and Environment issued the "Carbon Emission Rights Registration Management Rules (for trial implementation)", "Carbon Emission Rights Trading Management Rules (for trial implementation)" (hereinafter referred to as "Trading Management Rules") and "Carbon Emission Rights Settlement Management Rules (for trial implementation)".

Among them, the Trading Management Rules stipulate that carbon emission allowance trading shall be denominated in the unit of "per ton of carbon dioxide equivalent price", and the minimum change in the declared volume of sale and purchase is 1 ton of carbon dioxide equivalent, and the minimum change in the declared price is RMB 0.01.

Supplementary Arrangements on Reciprocal Enforcement of Arbitration Awards between the Mainland and the Hong Kong Special Administrative Region fully implemented in both places [Read More](#)

On 18th May, the Supreme People's Court issued an announcement that the "Supplementary Arrangement on Reciprocal Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region" is fully implemented in both places.

On 17th March, the Legislative Council of the Hong Kong SAR resolved to amend the Arbitration Ordinance of the HKSAR to implement Articles 2 and 3 of the Supplementary Arrangement on Reciprocal Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region, and the relevant amendments took effect on May 19. In accordance with the Supplementary Arrangement, the Supreme People's Court and the Department of Justice of the HKSAR Government issued separate announcements today, and the second and third articles came into force simultaneously in both places on May 19. Now, the Supplementary Arrangement has come into full effect in both places.

Ministry of Commerce announced its legislative plan for regulations in 2021 [Read More](#)

On May 19, the Ministry of Commerce announced its legislative plan for regulations in 2021, which includes improving the foreign investment system. The legislative plan clearly proposes to implement the "Foreign Investment Law of the People's Republic of China" and its implementing regulations, in accordance with

A&Z Future Events

2nd June, Shanghai

Our BD and Marketing Director, Ms. Anna Lukina, will speak on a panel of international professionals. The speakers will discuss how industries such as law, insurance, finance and other non-retail sectors can create engaging brand stories and connect with their clients. [Register here](#)

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 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.

the relevant decision-making arrangements of the State Council, revise the "Administrative Measures on Strategic Investment in Listed Companies by Foreign Investors", relax the restrictions on strategic investment by foreign investors in listed companies, and innovate the regulatory approach.

Implementing Rules for Beijing Free Trade Zone Foreign Exchange Management Reform Pilot issued [Read More](#)

On May 19, the Beijing Branch of the State Administration of Foreign Exchange announced the Implementing Rules for the Pilot Program of the Reform of Foreign Exchange Control in China (Beijing) Pilot Free Trade Zone, which is implemented from May 14, 2021.

The Rules apply to banks, domestic and foreign enterprises, non-bank financial institutions and individuals in the pilot zone (hereinafter referred to as "Subjects in the zone"). The Subjects in the zone conduct the pilot foreign exchange management business under the "Rules" shall have a real and legitimate transaction basis, and shall not use false contracts and other documents or structured fake transactions. For current account business, trade in services, initial income and secondary income and other foreign payments of more than USD 50,000 equivalent in a single transaction, the Subjects in the zone should submit a tax filing form as required. Enterprises in the pilot zone may carry out relevant capital project facilitation business in accordance with the requirements of Jing Hui [2020] No. 16.

Industry News

China's April home prices maintain momentum, smaller cities lead growth - private survey

Reuters, May 1

China's smartphone market kicks off 2021 with strength: Canalys

Xinhua, May 1

China's digital currency injects life into IT, bank stocks as Deutsche Bank sees possible pain for cryptocurrencies

SCMP, May 3

China posts rapid trade growth in April as recovery races ahead

Reuters, May 7

China Focus: E-commerce platforms bring global brands closer to Chinese customers

Xinhua, May 8

Economic Watch: China's CPI continues climb, factory prices pick up pace

Xinhua, May 11

China's April auto sales rise 8.6%, up for 13th straight month

Reuters, May 12

Cross-border deals in China defy Covid-19 pandemic as international investors eye Greater Bay Area, strong economy growth

SCMP, May 23

China approves Goldman Sachs, ICBC joint wealth management venture

Reuters, May 25

Xiaomi revenue surges 55% in Q1, fills market gap left by Huawei

Reuters, May 26

China January-April state-owned firms' profit up 240% y/y -finance ministry

Reuters, May 28

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