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里格律师事务所  
A&Z LAW FIRM

## A&Z Monthly Newsletter

December 2020

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

#### **GAC Strengthens Regulations on Import of "Zero Tariff" Materials in Hainan Free Trade Port [Read More](#)**

The General Administration of Customs released on November 30, 2020 the 'Customs Regulatory Measures for the Import of "Zero Tariff" Materials in Hainan Free Trade Port (Trial)', to be implemented from December 1, 2020.

According to the regulation, companies eligible for importing "zero tariff" materials should establish an eligible management system and computer system to monitor and track the flow of the materials, and set up a special electronic account book. Customs agencies can carry out statistics about "zero tariff" materials according to the law. Such materials must only be used for production purposes by companies in the free trade port. If the materials have to be sold or moved out of the island, the companies should pay import tariff and settle customs procedures.

#### **Three Authorities Release Import License for Commercial Cryptography and Export Control List [Read More](#)**

On December 2, 2020, the Ministry of Commerce, the State Cryptography Administration and the General Administration of Customs released the 'Import License List for Commercial Cryptography and Export Control List'.

According to the announcement, the Ministry of Commerce, cryptography department and customs agency will carry out inspections on import and export products and technologies on the list. Companies that have violated the import permit and export control regulations will be subject to administrative penalties. They could face criminal charges if a crime is committed.

#### **STA Optimizes Tax Refund Management for International Shipping Companies [Read More](#)**

On December 4, 2020, the State Taxation Administration issued the 'Administrative Measures for Refunding Value-added Tax on International

### A&Z Upcoming Events

#### 15th January, Shanghai

A&Z Law Firm will hold a New Year's Gala at the Okura Garden Hotel.

#### 27th January, Shanghai and online

Ms. Anna Lukina, BD and Marketing Director at A&Z, will participate in a webinar regarding successfully doing business in China in 2021 for international companies.

### A&Z Past Events

#### 1st December, Shanghai



Ms. Sophie An and Mr. Andrew Zhang, both partners at A&Z, were invited by Competition Law Research Association of Shanghai Law Society and Competition and Antitrust Business Research Committee of Shanghai Lawyers Association to participate in a seminar on the implementation and improvement of Antitrust Law. At the meeting, Ms. An shared her opinion and perspective from the system level, in connection with China's current antitrust law public education and law enforcement practice. Ms. An and Mr. Zhang also exchanged views with other

Transport Vessels’.

The regulation stipulates that eligible shipping companies should provide relevant documents and electronic data to local tax bureau when they make first tax refund declarations. If a shipping company has obtained VAT invoice when it acquires a vessel and the invoice has already been used to offset import tax obligations, it must not apply for tax refund; if the company has already used the invoice for tax refund, it will not be allowed to use it for import tax deductions.

### **[GAC Regulates the Supervision and Management of the Pre-shipment Inspection of Old Mechanical and Electrical Products Importation](#)** [Read More](#)

On December 11, 2020, the General Administration of Customs issued the ‘Implementation Rules for the Supervision and Administration of the Pre-shipment Inspection of Old Mechanical and Electrical Products Importation’, which will be implemented on January 1, 2021.

The Implementation Rules apply to the pre-shipment inspection activities of imported old mechanical and electrical products and the supervision and management of the pre-shipment inspection agencies, including chapters such as pre-shipment inspection, filing management, and supervision and management. The Implementation Rules require that pre-shipment inspection agencies should independently and impartially carry out pre-shipment inspections of imported old mechanical and electrical products as a third party, and be responsible for the authenticity and accuracy of the issued pre-shipment inspection certificates and accompanying inspection reports, and shall not participate in the production and business activities of imported old mechanical and electrical products.

### **[NDRC and MOFCOM Release Measures for Security Review of Foreign Investments](#)** [Read More](#)

On December 19, the National Development and Reform Commission and the Ministry of Commerce issued the ‘Measures for the Security Review of Foreign Investment’, which will be formally implemented 30 days after the date of publication.

There are 23 articles in the Security Review Measures, which stipulate the types of foreign investment, review institutions, review scope, review procedures, review decisions, supervision and implementation, and violations of regulations, etc., which further improve the standardization, accuracy and transparency of review work, and minimize the impact of foreign investment activities and protect the legitimate rights and interests of foreign investment. According to the Security Review Measures, the state has established a foreign investment security review working mechanism. The working mechanism office is located in the National Development and Reform Commission, led by the National Development and Reform Commission and the Ministry of Commerce, to undertake the daily work of foreign investment security review.

## Industry News

[China imports 775,000 tonnes of meat in November – customs](#)  
Reuters, December 7

[China trade: everything you need to know](#)  
SCMP, December 8

[China has world's most AI unicorn companies](#)  
China Daily, December 9

[Baidu gets nod for fully driverless vehicle tests](#)  
China Daily, December 9

[Beijing tightens grip on Big Tech titans in drive for ‘healthy’ internet economy](#)  
SCMP, December 9

[China's high-tech hub proves hotbed for investment](#)  
Xinhua Net, December 10

[China lowers key parameter to rein in cross-border financing](#)  
Xinhua Net, December 11

[China remains most attractive offshore supplier location: report](#)  
Xinhua Net, December 12

[China reduces items on the negative list for market access](#)  
Reuters, December 16

[China will speed up railway development of urban clusters](#)

guests on the broader topics of the Chinese competition law. [Read More](#)

### **17th December, Shanghai**



Mr. Vincent Zhu, Partner at A&Z, was invited to participate in a launch conference on reform and innovation measures to be implemented for an improved legalized business environment for the Lingang New Area. Mr. Zhu said that in the future, he will continue to watch and support relevant policies to promote legal services in the Lingang New Area.

### **23th December, Shanghai**

Ms. Sophie An, Partner at A&Z, was invited by NYK Company to give a lecture on anti-monopoly-related issues. The lecture was well received by the audience, who said that they had a better understanding of anti-monopoly laws and policies.

### **Season's Greetings!**

Happy Holidays from A&Z Law Firm! Thank you for the support and continuous inspiration in 2020 to our partners, clients and friends during this special year. We wish you success in business, prosperity in life, and most importantly, strong health during this lasting pandemic.

### **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

Reuters, December 17

[China to overtake US as world's biggest economy by 2028, report predicts](#)  
Guardian, December 26

[China stocks end higher on upbeat data](#)  
Reuters, December 28

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.

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)

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