



Legal Updates

[China Updates the 'Catalogue of Industries for Encouraging Foreign Investment' **Read more**](#)

The National Development and Reform Commission and the Ministry of Commerce released the 'Catalogue of Industries for Encouraging Foreign Investment (2020 Version)' on December 28, 2020. The new catalogue will be implemented from January 27, 2021, and the 2019 version of the catalogue will be revoked at the same time.

The new catalogue has 127 added items and 88 revised items, aiming to expand the scope of industries that encourage foreign investment. The 2020 edition of the Catalogue will further give full play to the positive role of foreign investment in the industrial and supply chain. Under the new catalogue, foreign companies are encouraged to invest in production service industries, like R&D in 5G telecommunication technology, block chain technology, and the design of sewage treatment facilities. Foreign companies are also encouraged to invest in central and western areas in China, notably via the items that encourage foreign investment in agricultural product processing and tourism development in Heilongjiang and Yunnan.

[MOFCOM and GAC Release the 'Catalogue of Goods Subject to Import & Export License Administration' **Read more**](#)

The Ministry of Commerce and the General Administration of Customs released the 'Catalogue of Goods Subject to Import License Administration' (2021) on December 31, 2020, the 'Catalogue of Goods Subject to Export License Administration' (2021), and the 'Catalogue of Dual-Use Items and Technologies Subject to Import and Export License Administration', effective from January 1, 2021.

On the same day, the Ministry of Commerce, the General Administration of Customs and the Ministry of Ecology and Environment released the 'Catalogue of Commodities Prohibited from Import (7th Batch)' and the 'Catalogue of Commodities Prohibited from Export (6th Batch)'.

[MOFCOM Releases the 'Rules on Counteracting Unjustified Extra-territorial Application of Foreign Laws and Measures' **Read more**](#)

The Ministry of Commerce has recently issued the 'Rules on Counteracting Unjustified Extra-territorial Application of Foreign Laws and Measures', with effect from January 11.

The Rules mainly touch upon contents in five aspects. The first is reporting in a timely manner: where Chinese citizens, legal persons or other organizations encounter an unjustified extra-territorial application of foreign laws and measures, they are prohibited or restricted from engaging in normal economic, trade and related activities with third countries (regions), and they shall report the matter within 30 days. The second is about evaluation and confirmation: regarding whether there exists an unjustified extra-territorial application of foreign laws and measures, the working mechanism will consider various factors to conduct the evaluation and confirmation. The third is issuing a prohibition order: where there exists an unjustified extra-territorial application of relevant foreign laws and measures upon evaluation and confirmation, the working mechanism may decide that the commerce department of the State Council shall issue a prohibition order. The fourth is judicial remedy: where Chinese citizens, legal persons, or other organizations suffer losses due to the unjustified extra-territorial application of foreign laws and measures, they may file lawsuits with domestic courts and claim for compensation. The fifth is the punishment system: the corresponding punishments shall be imposed on Chinese citizens, legal persons, or other organizations that violate the obligation to report truthfully and fail to comply with the prohibition order.



[SAFE Releases the ‘Measures for Implementing Administrative Licensing at SAFE’ **Read more**](#)

The State Administration of Foreign Exchange released the ‘Measures for Implementing Administrative Licensing at the State Administration of Foreign Exchange’ on January 15, 2021, which will be implemented from February 1, 2021.

There are four key points in the regulation. The first is to clarify the procedures for making and accepting administrative licensing applications, examining, hearing and making a decision on the applications; the second is to introducing online services for administrative licensing; the third is to streamline document requirements and reduce the amount of papers to be provided by applicants if relevant documents can be shared from the relevant government departments or obtained from the foreign exchange administrative system in accordance with the laws; the fourth is to standardizing the publicity of administrative license and clarify requirements on information disclosure about administrative licensing decisions.

[PBOC Scraps the Special RMB Capital Account for Foreign Direct Investment in Lingang New Area of Shanghai Free Trade Zone **Read more**](#)

Shanghai Head Office of the People's Bank of China released the ‘Circular about Scrapping Special RMB Capital Account for Foreign Direct Investment at the Lingang New Area of Shanghai Free Trade Zone’ on January 6, 2021.

According to the circular, foreign-invested enterprises registered in the Lingang New Area no longer have to open special RMB capital accounts when they make capital contributions in RMB. Their settlement bank can directly handle RMB capital accounting services for these enterprises, and the use of funds must comply with relevant documents of the People's Bank of China. After the RMB capital account is canceled, the settlement bank shall continue to submit information to the RMB cross-border payment and receipt management information system (RCPMIS) as before.

[SAFE Releases Guidelines for Foreign Exchange Business under Capital Account \(2020 Version\) **Read more**](#)

The State Administration of Foreign Exchange released on January 22, 2021 the Guidelines for Foreign Exchange Business under the Capital Account (2020 Version), effective from November 13, 2020.

The document covers four parts, including guidelines for designated banks to directly handle foreign exchange business under capital account, including direct investment in foreign currencies and securities investment at Chinese and foreign markets. And the Operation Guidelines for Foreign Exchange Business under the Capital Account (2017 Version) is revoked at the same time.

Contact Us

联系方式

E-mail 邮箱：

info@a-zlf.com.cn

Phone 电话：

+86-21-5466-5477

www.a-zlf.com.cn



Shanghai HQ Office

上海总部办公室

Unit 2001-2002, 20F, Tower 2, Jing An Kerry Centre. No.1515 Nanjing Road West, Shanghai, 200040, China

中国上海市南京西路1515号

静安嘉里中心二座 2001-2002室